P 58EK

P

App. F. IX-4

1926

File No. 49-26

Previous References
C.S 133-25 (1-2)

(C.S)

Serial Nos. 1-6 8
10-12

Later References
C 58-30 / 13, 627

General and Revenue Secretariat.

Serial Nos. Ten

Part B for oct. 27

SUBJECT

Copy of the address that the Cooperative propa-
-Ganda Institute proposes to present the Dewan
and of his speech at the opening of the 15th
Mysore Provincial Co-op. Conference
D 27333 & 15.9.27

To

The Registrar Coop. Societies
State that Government are of opinion that
no amendment of the Cooperative
Regulation is necessary

Acknowledge

WD 01229—GPB—37,500—1-9-26

General and Revenue Secretariat

C. S. File No 4.9 of 1926.

Serial No. 1

Speech by the Dewan at the opening of the 13th Mysore Provincial Co-op. Conf^ce on 11/10/26.

Secy/s orders ~~on the~~

1 Note points for action (Cuts) C.R.S 12/10/26
Cuts V.V 12/10.

2) The points for action as indicated in the Speech are

1) formation of agri. Supply Societies of various kinds, for the raiyat to buy cattle, ploughs, implements, manure, seed & the like;

2) Agricultural Sale Societies for marketing the raw produce raised by the raiyat, to the best advantage;

3) Industrial Co-operation for converting the raw produce into finished products

4) Improvement of village thro' House-building Co-op. Societies.

5) Recognition by every Society of the promotion of thrift as an active part of its normal work, in order to organise

NOTE. Contn. Sheet

(2

WD 01225—GPB—37,500—1-9-26
App. F. III—2]

General and Revenue Secretariat

C-S File No 4'9 of 1926.

Serial No.

house-to-house campaign in its behalf.

6) Improvement of the depressed classes and being included in the active programme of Societies.

7) Redemption of agricultural indebtedness by Land Mortgage Banks.

8) Decreasing the no. of coop. disputes which are increasing in recent years.

9) Supervision & inspection of coop. Societies by non-official staff.

10) Tabulation of the decisions of the propaganda-Institute & referring them to coop. Societies, the Reg^r or the Govt, as the case may be, for necessary action & noting the result of the action taken & reporting it at the next meeting of the conference to keep up the continuity of work.

Vide pages 31 & 6 of the Speech.

3) of these, points 1), 2) & 7) seem to have been discussed at the conference & the decisions arrived at there, may

NOTE. Contn. Sheet

Serial No.

perhaps be called for or encouraged.

pages 4 & 6

28) This may be done at once Gov 11/27

W) Re. points 3 & 4 i.e. industrial Co-operation & improvement of depressed classes it may be pointed out, that a sum of Rs 5000/- has been allotted for the purposes out of the grant of Rs 1,00,000/- under Loan. Devpt. & definite Schemes have been called for from the Regr. (Vide. G.O. No Rel 37-60/E.C.3-26-1 dt 14/8/26) He will, if approved, be asked to expedite the proposals, as they are not yet received.

page 4

5) point 4 viz. improvement of villages thro' H.B. Co-op. Societies, has been urged on the attention of the conference and what action they propose to take is not yet known.

page 5

6) As regards the promotion of thrift (point 5), the Regr may perhaps

29) A draft letter to Regr may be put up

be asked to issue a circular to Societies impressing upon them the need to pay particular attention to this point. The same procedure may perhaps be adopted regarding point 8)

page 6

i-e decreasing the no. of Co-op. disputes.

page 7

7) Re: the next point viz. Supervision and inspection of

Serial No.

Societies by non-Official Staff, the opinion of the Conference has been called for before issuing Govt orders. It may perhaps be awaited.

page 8) Yes. 8) The last point is a suggestion to the Conference to keep up continuity in its work and it is presumed that the suggestion will be adopted.

Subs for orders.

8/11/26. VS

9 The points for action, have been noted above. The Reg^r may be requested to send a copy of the Proceedings of discussions at the Conf^e (A) at a very early date

Sec^y D)

15/11

10 Yes. 16.11.26

19/11

11 A draft letter is submitted.

20.11.26. VS 12 Approved Issue 20/11

2 To

The Registrar of C.S.

No 3613 of 24/11/26

(A) with his proposals in regard to matters on which action may be taken

(5

WD 01228—GPB—37,500—1-9-26

App. F. III—2]

General and Revenue Secretariat

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C.S. File No 49 of 1926.

Serial No.

2 To

The Registrar of C.S.

No D 3613 & 24/11/26.

Requests that a copy of the proceedings of the 7th Mysore Co-operative Conference may be sent with his proposals in regard to matters on which action may be taken.

Sub A.

GEN. & REV. SECRETARIAT
30 NOV 1926
DEVELOPMENT BRANCH.

3. From the Regr of C-S.

No 2722/CS. dt 25/12/26

States that copies of the proceedings called for are reported to be being printed & forwards a copy of the Resolutions passed at the Conference with his recommendations on them.

13 subjects Resolutions nos 6, 10, 13, 15, 18, 19, 21, 22, 24, 25 & 26 are not included in the copy of Resolutions sent. What these are & whether they were discussed at the conf^ce is not known. As Resolutions on subjects nos 1, 2, 3 & 12 the Regr has been taking action himself. As regards those on subjects nos 11, 16 & 27, he states that a report will be sent in due course on the deliberations of the committees appointed for the purpose. The Report may be awaited

22. May be awaited—

30 yrs

Note. Contn. Sheet

General and Revenue Secretariat

C · S · File No. 4 9 of 1926.

Serial No

(Subject no 4)

14 Re ordinary & penal interest to be charged by the Apex Bank & the primary Societies, Kind reference is invited to the discussions in C.S. file no 133-25-1/2 placed below. It has been resolved now ent the cmte that ordinary interest in central & Apex Banks should not exceed 8 1/2 % & that in primary Societies it should not exceed 9 1/2 %; that the maximum of interest on borrowed Capital should be 10 1/2 %. It has also been decided that penal interest in central & Apex Banks should not be more than 1% above the contract rate. The Ld L. Secy has opined in his note d 15/7/26 that Govt have no power to make such a ruling & that an amendment of the Reg^n is necessary if such a provision is considered desirable. (Vide para 18 of the notes in C.S. file 133-25-1/2) The Reg^r urges on the Govt the necessity for such a provision & the point is for orders.

15 The recommendations of the Reg^r about certain concessions to the Apex Bank (Subject no 5) have been submitted for orders separately. (Vide C.S. 82-26)

16 About the transfer of Societies' debts from the Central to the Apex Bank (Subject no 8)

D

23 Till the Regulation is amended, the resolution has no value. Even on merits, it seems undesirable for Govt to fix the rates of interest in the Regulation.

NOTE.—Contn. Sheet

WD 01228—GPB—37,500—1-9-26
App. F. III—2]

General and Revenue Secretariat | C-S. File No 69 of 1926.

Serial No.

24 Yes. (Separately)

the Report of the Reg[r] may be awaited.

17 Regarding a Land Mortgage Bank in a Malvan District, (subject no 9), the result of the working of those ordered to be started in the Mahad, may perhaps be awaited.

25 Yes. It seems far too premature to think of starting more Land Mortgage Banks.

18 As regards the recommendations of the Reg[r] re funds & staff for the improvement of Depressed classes, (subject no 17) he has been asked to furnish the approximate annual cost of the estt required by him & his reply is awaited. (Vide C.S. file 81-26).

19 Draft amendments to the Coop. Reg[n] & rules (subject no 20) may be awaited from the Reg[r].

26 The Reg[r] may be asked to expedite the submission of the amendments to rules & Reg[n].

20 The recommendations of the Reg[r] about the allotment of 2 lakhs of rupees annually at 5 o/o for granting loans to House-building Societies & about permission to deposit Trust & Municipal funds for long periods in well-established Coop. Societies offered by him (subjects nos 14 & 23) are for orders.

27 This is also separate & more consideration.

21 Subo for perusal

8/1/27 Sec[r] D) 10/1

NOTE- Contn. Sheet 10/1

WD 01229—GPB—37,500—1-9-26
App. F. III—2]

General and Revenue Secretariat

C. S. File No. 49 of 1926

Serial No.

31 There are two matters for consideration in this file (1) action to be taken on the issues raised in the Dewan's opening speech (2) action to be taken on the recommendations of the Registrar contained in his letter (P. & D.) in regard to some of the Resolutions of the Conference. For this connection the Branch may put up a copy of the First Members Speech & Note on action to be taken on the recommendations made therein

32 In regard to (1).

1 The Registrar has stated that a larger number of Industrial societies would be started this year. Result of action taken may be awaited

2. His proposals for the utilisation of Rs 5000 set apart from the Economic Development grant for formation of Industrial Co-operation may be called for.

3. Proposals have been submitted for the formation of House building Co-operative societies They are considered below.

4 A circular letter may be addressed by the Registrar to all societies to organise a House to House campaign of thrift and another for minimising suits as far as possible by careful previous inquiries before loans are sanctioned & watch over the manner in which they are utilised

5 The Registrar may address the Propaganda Institute in regards to the tabulation of decisions arrived at the conference for maintaining Continuity of work.

6 separate action is being taken in regard to other points noted in the Speech

Proposals have been processed & orders issued vide C.S. 75-26 & C.S. 122-26

NOTE—Contn. Sheet

(9

WD 01229—GPB—37,500—1-9-26
App. F. III—2]

General and Revenue Secretariat | C. S. File No. 49 of 1926

Serial No.

33)

(2) In this present letter the Regr deals with four specific points 1. fixing the ordinary & Penal rate of interest 2. Loans for the encouragement of House Building societies 3. Starting of a Land mortgage Bank in a Madras 4. Deposit of surplus funds in Co-operative societies

(1) The Co-operative Conference are in favour of fixing a maximum for ordinary Penal rates of interest. It does not appear from the Regrs letter whether it was brought to the notice of the Conference that their recommendation involves a modification of the Regn. However as they have proposed the rates the addition it must be inferred that they are agreeable to the Regn being suitably amended

The Interest rates charged to members depend on the rates which have to be paid to obtain deposits which in their turn depend on the Current market rates. There is not much room therefore to change the borrowers rates of interest of a Society save obtain private capital. In order however that Madras or a Central Bank may not take advantage of the needs of a society it is desirable that Govt not the Regr alone have power to fix & alter rates of interest from time to time. The Regr may therefore be requested to submit suitable draft amendments to the Regn

(2) The Regr requests that an allotment of Rs 2 lakhs may be made annually for granting loans to

Serial No.

House Building Societies to enable loans being made at 5% repayable in 20 years. The Co-operative Committee state that Govt. loans are the only means for providing funds for Co-operative House Building Societies. The need for developing such societies has also been dwelt upon in the Dewan's speech. The Financial Secretary may be consulted as to how far an allotment may be made for this purpose.

(3) I fully support the idea of starting a Land Mortgage Bank in one of Maidan Districts. Proposals may be called for from the Regr

(4). The idea of depositing Mirasi funds in Co-operative societies is a good one. They may be deposited at least in the Provincial Bank. The FL secy may be consulted.

1st member)

CRO 11.1.27

WM 12/1

7270/12/1

34 I desire two Copies of my speech as delivered be put up by Secretary

35 I generally agree with Secy's views. Action may be taken on each point separately. For convenience as suggested by him. Replying to the Question Mover may be asked if he has any further points on which he desires Govt. to take action.

13/1/27

CRO 13.1.27

WM 13/1

36 Put up this speech

A copy of the Speech is put up.

Please CRO 13.1.27.

Note 26/1/27

37 Please note CRO

NOTE—Contn. Sheet

WD 01229—GRB—37,500—1-9-26
App. F. III—2]

General and Revenue Secretariat

C·S·File No. 49 of 1926.

Serial No.

38 A copy of the Speech by the 1st Member in the Coop. Conf^ce held in October last is put up. Resolutions on almost all the points for action indicated in the Speech have been passed. (Ref^ce paras 31, 34, 35)

39 As regards the necessity to abolish moribund Societies, starting at the same time fresh ones in a larger number till the number & level of efficiency become at least twice as good as at present (Vide page 4), the Reg^r may perhaps be asked to take action.

40 Regarding the development of an agency between the Apex Bank & the primary Societies (Vide page 6), the Reg^r has in the Administration Report of the Dept for 1925-26, stated that the Dist. Banks are being arranged to function well in the coming years, now that an Apex Bank has been constituted.

41 As regards Land Mortgage Banks (Vide page 6), the conf^ce have passed a resolution to the effect that a Bank for the Maidan

NOTE—Contn. Sheet

(12

WD 01229—GPB—37,500—1-9-26
App. F. III—2]

General and Revenue Secretariat | C. S. File No. 49 | of 1926

Serial No.

Distt should be started.

42 On the suggestion to introduce a system of commission, the award of medals or any other suitable recognition of work, to induce efficient business men to take up the working of Societies (Vide page 7) proposals of the Regr may perhaps be called for.

43 As regards coop. Societies steadily persistently endeavouring to become the agents of village panchayats for agri. devpt. it may be mentioned that the Regr has stated in the last year's Admn Report that due to prod propaganda work, coop.n is being recognised as a force in the rural re-construction.

44 Regarding the investigation of the economic condition of members of unlimited societies, the Regr has in the same report stated that this work will be taken up more systematically with the help of the propaganda Institute, in the coming years.

(Vide page 8)

NOTE—Contn. Sheet

(13

WD 01229—GPB—37,500—1-9-26
App. F. III—2j

General and Revenue Secretariat

C.S. File No. 49 of 1926

Serial No.

(Vide page 10)

45 Concerning the development of Sericultural cooperation the Rep^r has stated in the Annual Report that special attention is being paid to certain Societies to get good results so that fresh Societies may be profitably started.

(Vide page 13)

46 Regarding the starting of Societies for poor artisans & traders on the model of the petty traders' Society in the B'lore city Market, action may be taken by the Rep^r.

47 As regards the general suggestion in the Speech that business men should be induced to take up the working of Societies, much depends on propaganda work in this direction and the Rep^r may be requested to take necessary action.

48 With regard to the utilisation of the allotment of Rs 5000 out of the Ec: Devt grant, for industrial coop^n & improvement of depressed classes, certain

NOTE—Contn. Sheet

WD 01229—GPB—37,500—1-9-4
App. F. III—2j

General and Revenue Secretariat

C · S · File No. 49 of 1926

Serial No.

(5)

Proposals recd from the Regr have been sanctioned & funds for utilising the balance of Rs 30000/- have been called for. (Vide C-S. 75-26). Refce para 28. Page 3.

49 A draft letter to the Regr re action to be taken on points indicated in the Dewan's Speech is put up. (Refce para 35)

50 Another draft letter re the rate of interest is put up for consideration (Refce para 35)

51 A third draft is sent re the estt of a Land Mortgage Bank for a Malabar Dist.

52 As regards annual allotment of Rs 2 lakhs to W.B. Coop. Societies by Govt. the file will be sent to the Fin Secty after the issue of the drafts put up below (Refce para 33, page 10)

53 Regarding the deposit of Muz funds etc in coop Societies, the Fl Secy has already opined in C.S. file 82 of 26 that permission may be granted for this kind of deposits in the Apex Bank. Please issue Endt

(5) Have been sent vide Govt Memo dated 28.2.27

Yes. The proposal is to form a coop colony for Adikarmatar Kas. Vide C-S. 122-26.

3/3/27

(2) For further action See C-S. file 126-26.

(3) (File re Concessions to the Apex Bank)

27/1/27.

29/1

NOTE—Contn. Sheet

15

WD 01229—GPB—37,500—1-9-26
App. F. III—2]

General and Revenue Secretariat

C. S. File No. 49 of 1926

Serial No.	
4	To The Registrar of C.S. No D 6300 dt 5.2.27 With Reference to sl (2) invites attention to paragraphs on thrift- and Credit on pages 5 and 6 of the opening Speech by the Deputy at the Conference and Requests that a circular may be issued to all Societies to organise a house to house Campaign of thrift- and another to minimise Credit as far as possible by careful previous enquiries before loans are Sanctioned and calls for a Report of action taken
5	To The Registrar of C.S. No D 6301 dt. 5.2.27 With Reference to sl (2) enquires whether the power of fixing the maximum Rate of ordinary interest in Central and Apex Banks in the case of primary Societies has been taken by any other Government
6	To The Registrar of C.S. No D 6302 dt 5.2.27 Requests him to submit Suitable proposals for the opening of a

NOTE—Contn. Sheet

3893.

WD 01229—GPB—37,500—1-9-26
App. F. III—2]

General and Revenue Secretariat

C.S. File No. 49 of 1926

Serial No.

a Land Mortgage Bank in one of the Malabar Districts.

5/5. The file may now be sent to the Finl Sectt for opinion re allotting 2 lakhs of rupees every year for H.B. Coop. Societies. (vide paras 33, 35, ~~52~~ 54 above)

~~16.~~
5/2/27 Sd/- Fin[l] Sect[t]) 7/2

FINANCIAL SECR.
8 - FEB. 1927

Fd. 2648/26
8.2.27

3357/912

5 The proposal is to make an annual loan of Rs.2 lakhs at 5 per cent for financing House-Building Co-operative Societies. In the first instance, whether with a large capital programme on hand, we can undertake this additional financing is a point for consideration. In the second place if we should finance at all, it is perhaps best if this is done through the Apex Bank, a certain maximu rate of interest being prescribed for loans to be issued for House-Building Co-operative Societies.

B 9/2

Finl Sc

6 The funds for the grant of loans are limited in view of the heavy capital programme of works in progress, sanctioned, or in contemplation - Market-borrowing for capital works is not under present conditions feasible and ~~should~~ to the extent the cash resources y

FINANCE
17. FEB. 1927

NOTE—Contn. Sheet

WD 01229—GPB—37,500—1-9-26

General and Revenue Secretariat

C-S. File No. 49/1893 of 1926.

Serial No.

Govt. admits of financing the Steam building Co-operative societies provision may be made in the Annual budget. The rate of interest shd be dependent on market conditions.
It is not possible to undertake a commitment of providing a definite sum of 2 lakhs annually to be loaned at a particular rate of interest for all time.

59) this period of the repayment of the loan shd not ordinarily exceed 10 years.

h
16/2/27

60) Sub. for perusal & orders.

Sec'y D) WB 24/2

61) I agree with the Fe Sec'y that the rate of interest shd be dependent on market conditions. The period of 10 yrs proposed by him appears too short, having regard to the nature of the investment. Perhaps 20 yrs is not too long.

HS
28.2.27

3d Member

62) I agree WB 28/2

CSX 1/3

63) This may be sent to the H Sec'y, for perusal & Members orders. WB 1/3 HS 1.3.27

Sec'y D) WB 4/3 64) WB 1/3 HS 5.3.27

H Sec'y) 65) h 7.3.27 WB 5/3

66) Please o/p WB 11.3

OF THE ... OF COUNCILS
28 FEB. 1927
No. 832

FINANCIAL SECRETARY
7 MAR. 1927
No. 4167

Jd 2914 - 26
5.3.27
SECRETARIAT
DEVELOPMENT BRANCH.

NOTE—Contn. Sheet

3893/5806 18

5806

WD 01229—GPB—37,500—1-3-26

App. F. III—2]

General and Revenue Secretariat

C-S File No. 49 of 1926

Serial No. 8

[Sl 7.
Refce from Govt re opening a Land Mortgage Bank in the Mysore Distt.
Vide C-S-126-26.]

From The Registrar of C-S.
No 42-62 dd 9/3/27

Submits a copy of the circular he is issuing to all the Societies in the State as regards "thrift" & "Suits" & States that the Coop. Propaganda distt Instte has been addressed re the tabulation of the decisions arrived at the last Conference.

67 The circular is for perusal. A draft G.O. as directed in para 66 above is put up for consideration.

Hdo 18/3/27

68 Dft for consn. Sec'y D) 19/3

9/7

69 Please type as revised

21.3.27

70 Revised typed draft is submitted.

21/3

71 3d Member)

22.3.27

72 Please submit to Dewan also. 22/3

28/3

73 Dewan)

23.3.27

74 28/3 28/3 28.3.27

OFFICE OF THE COUNCIL
28 MAR 1927
1366-

DEWAN'S OFFICE.
Received on
26. MAR. 1927
Pap. No. 6923

NOTE—Contn. Sheet

WD 01229—GPB—37,500—1-9-26
App. F. III—2]

General and Revenue Secretariat | C.S. File No. 69 of 1926

Serial No.

vide para 58 for f/d. opinion
Opt. Asst Secty
B/4/4 77 B/4/4
78 To Comptr. Gen No 61 B/4/4

10 To
The Registrar C.S.
in Compln the Secty
No 8471-72 d/2.4.27
with Reference to the Resolution No 44
re. House Building Cooperative
Societies discussed in the 13th
Provincial Cooperative Conference
Hals Govt. Govt are willing to
finance H.B. Cooperative Societies to
the extent permitted by the
exigencies of their programme of
expenditure & requests the Registrar C.S.
to send up proposals Re provision
to be made for the year 1927-28.

11 78 From The Registrar of C.S.
No 4921 CS. d 16/4/27
Recommends, for reasons
stated, that a sum of one lakh of
rupees may be given to the ~~Opt~~ x
Bank as a deposit at 4% interest
for 25 years & another lakh
as cash credit to be drawn as
necessity arises for granting
loans to House building Coop

NOTE—Contn. Sheet

App. F. III—2]

General and Revenue Secretariat. C-S. File No. 49 of 1926

Serial No.

Societies in the State pointing 79 for further action. See C.S. file 153-26 & C.S. 128-25.

Seen by the Secy & separated from the linked file C.S.-128-25-8. 6/7/27

20/4/27. 80 S.W.D. 21/4

81. A copy of the final orders passed in this respect is placed below. (Govt no. D. 11283-92/C.S. 128-25-8 d 22/6/27)

6/7/27.

12 From the Regr of C.S. No 500 C.S. d 19/7/27 with refce Sl 5 above forwarding copies of replies received from the Regrs of Bombay, Madras, Bengal & Hyderabad and urges the necessity to reserve the power to control by Govt or the Regr the maximum rates of ordinary & penal interest to be levied from members.

Submitted for perusal of orders. Refce paras 3 5 above.

23/7/27.

NOTE—Contn. sheet

GPB—5,000—30-3-27

App. F. III—2]

General and Revenue Secretariat. | C-S. File No. 49 of 1926

Serial No.

83 The point for orders is whether Govt or the Regrs with the previous sanction of Govt may regulate the maximum rates of ordinary & penal interest to be levied from members for operative Societies. The Resn passed at the 13th Mysore Co-operative Conf[ce] and the Govt desired that the Conf[ce] should record a resn on the subject – is not the power should be given to Govt or the Regrs. In accordance with the Bombay members opinion (para 35) the practice in force for Provinces & Hyderabad has also been as carried by the Regrs.

84 In Bombay, there is no direct power to Regr to control the rate of interest. But as the bylaws & any amendment to them not to be approved by the Regr, he can exercise control indirectly.

85 In Madras also there is not such direct power vested in the Govt or the Regr. But it is indirectly controlled as in Bombay.

86 In Hyderabad & Berar also there is not such power vested in the Govt or Regr.

87 In Mysore too, the provision that the by-laws fixing the ordinary & penal rate of interest should be approved by Regr, and that any amendment thereto should also be approved by the Regr seems to be enough.

Dy
31.7.27
Dewsay)

NOTE—Contn. sheet

P.T.O.

App. F. III—2]

General and Revenue Secretariat. | C. S. File No. 43 9 of 1926

Serial No.

88 The Legl Secy may please state whether he can have no power to frame a rule to this effect (Mag D) or such an amendment of the Act is necessary.

89 The Legl Secy may please draft the proposed amendments

31-7-27
Dy Secy

90 While it is desirable that some safeguard should be provided against usurious practices, it is necessary that there should be no irksome interference in the operations of co-operative societies. The Registrar instances the Bangalore Central Bank as a society in which interference to limit rates of interest is necessary; and it seems to me that this is also an excellent instance of the possibilities of unpleasantness that would be created by the exercise of such a power. It will be seen from the Report of the Proceedings of the Mysore Provincial Co-operative Conference of 1926, that when the resolution to amend the Co-operative Regulation so as to empower Government to fix the minimum rate of interest was moved, there was a strong opposition, and that the representative of the Central Bank

NOTE—Contn. sheet.

WD 2293—GPB—10,000—4-5-27

General and Revenue Secretariat. C.S. File No. 4 9 of 1926.

Serial No.

was one of the opposers.

91 Rates of interest can only be fixed with reference to local circumstances; and of these circumstances, the society itself is the best judge. Since the executive body of the society really represents all the members, it cannot be said that the interests of the borrowers are disregarded. I do not think that there will be any justification for external interference beyond the minimum absolutely necessary for correcting manifest cases of unfair exploitation which would be the exception and not the rule. This minimum of control could best be exercised indirectly by requiring that bye laws should have the general approval of the Registrar as in Bombay and in Madras, rather than by a direct fiat prescribing such and such a rate of interest. I think the Registrar has that power now. No amendment of the Co-operative Regulation seems to me necessary.

92 I agree
CSJ
29/8

OFFICE OF THE THIRD MEMBER OF COUNCIL.
20 AUG. 1927
No. 424

1424

THIRD MEMBER)

93 I agree
CSJ
29/8 — 20/8/27

94 Dft. reply to Registrar

WD 0324—GPB—60,000—24-5-27

576 24

App. F. III—2]

General and Revenue Secretariat. C.S. File No. 49 of 192~~6~~.

Serial No.

A draft reply is put up.

H.M. 22/8/27

Draft for approval

Sd/-
30.8.27

Dev Secy)

49

Issue

Sd/-
10.9.27

Sd/-
12.9.27

13 To

The Registrar of F.S.

No. D 2933 of 15.9.27

With Reference to the Correspondence ending with 3(12), I am directed to state that, in the circumstances stated, Government are of opinion that no amendment of the Coorg Regulation is necessary.

GEN. & REV. SECRETARIAT. 12 OCT. 1927 DEVELOPMENT BRANCH.

NOTE—Contn. sheet.

WD 0321—GPE—60,000—24-5-27

Submitted to His Highness.

I submit for His Highness's gracious perusal a copy of the Address that the Co-operative Propagandist Institute propose to present me with at the Opening of the Thirteenth Mysore Provincial Co-operative Conference as also a copy of my Opening Address.

Mirza M. Ismail

Mysore,
10th October 1926.

SVS.

Record of Cases submitted for the Orders of His Highness the Maharaja.

Subject.

Copy of the Address that the Co-operative Propagandist Institute propose to present the Dewan and of his speech at the Opening of the Thirteenth Mysore Provincial Co-operative Conference.

338

Order.

KRW
11/10/26

C. Secy
JM
11.10.26

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INDUSTRIES & COMMERCE BRANCH.

To

Amin-ul-Mulk
Mirza M. Ismail, Esq., C.I.E., O.B.E.,
DEWAN OF MYSORE.

Sir,

We, the Members of the Thirteenth Provincial Co-operative Conference of Mysore, on behalf of all the Co-operators of the State, beg permission to approach you and offer our sincere congratulations on your elevation to the Dewanship of this important State. The keen insight into the capacities of men which our benign and far-seeing Sovereign, His Highness the Maharaja, has shown himself to possess and the correctness of his choice of men which time subsequently has invariably confirmed, are a guarantee that the choice to the Dewanship has fallen on right shoulders. The traditional association of your ancestors with the Mysore State and with the Mysore Royal Family, and your own long service rendered to His Highness the Maharaja in various capacities afford ample assurance that in the fulfilment of the great trust reposed in you by His Highness the Maharaja and in the discharge of your responsibility for the welfare of His Highness's subjects no efforts on your part to secure the end in view will ever be spared and that no opportunity will ever be lost to train the people of the State to higher ideals and to higher aspirations of life. Sir, it is true that in offering our congratulations we may be said to be somewhat late, but our apology, if an apology is needed, is that this gathering is the first gathering of representative Co-operators

from all parts of the State that has met in this capital city during the national festive season of Dasara, and indeed, it may be said that as we offer our congratulations after we have had some opportunity of knowing your worth in your new Office, the congratulations may be accepted as all the more sincere and as all the warmer, coming as they do, not in anticipation of your good work but based to some extent on a retrospect of what has already been achieved by you. Sir, it must be a great relief to your mind as it has been to all the people of the State that the general drought which prevailed in all parts of the State so soon after your assumption of Office is now at an end and that the seasonal prospects afford a good augury of the cheerful surroundings and the happy conditions that will be secured to the people in the future under your able direction.

The key note of your administration has already come to be perceived as one of sympathy with the people in their efforts for the improvement of their economic prosperity. Your desire to see things at first-hand by visits to the various parts of the State have already brought many beneficial results to the country. The earnestness shown by you in renovating the Economic Conference and converting it into a real medium for the stimulation of the material and moral progress of the country has already secured for you the willing co-operation of all the thinking minds of the country and we have no doubt in prophesying that ere long it will also win for you the lasting gratitude of not only the present generation of men but also of the future generations. It may safely be said that economic problems possess an importance of their

own which no far-seeing Statesman can ignore in any country and at any time. In India, however, in this period of transition when we are passing from customary and isolated self-sufficiency to an age of international rivalry in the development of the prosperity of the peoples of the world, problems relating to the material development of the country and the moral growth of its inhabitants have a particular importance of their own. Sir, in giving your first attention to problems of economic development we make bold to say that you have shown yourself to be possessed of the true insight of a Statesman in making choice among a multiplicity of problems of variety and complexity, of those which are truly beneficial in the immediate future and which have long been waiting for practical solution.

Now coming to the subject of Co-operation which immediately concerns us and which has formed a subject of universal interest in all the countries of the world, the Movement was started in India during the Viceroyalty of Lord Curzon and the great progress that it has since made speaks to its virility and to its suitability to the conditions of our country. A similar scheme had been introduced into our State in 1894 during the time of His Highness the late Maharaja Chamaraja Wadiyar Bahadur of revered memory; but for reasons which need not be stated here and which were more or less unconnected with its intrinsic merit , the scheme was not productive of the result anticipated. But His Highness the present Maharaja, following the footsteps of his noble father introduced the scheme of Co-operation on the British Indian Model in 1905 in more favourable

surroundings and as a consequence the movement has made considerable advance and is now looked upon as a great panacea for many of the evils under which comparatively smaller agriculturists, smaller industrialists, smaller traders and persons of smaller means are afflicted with. His Highness the Maharaja in his speech at one of the agricultural exhibitions in Mysore urged on all educated and enlightened men the duty of promoting the Co-operative system under which "any local body of craftsmen or agriculturists, however poor and however limited in numbers, has the means of acquiring gradually and from small beginnings, sufficient capital to provide for immediate needs and for future progress". His Highness also pointed out that apart from the material return which was the immediate object of the Co-operative Societies they also "proved great moral educators and promoters of mutual confidence, self-reliance and honest enterprise". These sentiments have been reiterated by His Highness the Yuvaraja also at several of the meetings of this Conference in previous years. Keenly interested as you are in the economic development of the country we regard it as presumption on our part to appeal to you for fostering the Co-operative Movement more vigorously than has been possible hitherto. We are sure that the remarkable insight you have already shown into the pressing needs of the country is a guarantee for the Co-operative Movement to receive during your tenure of Office such a stimulus as to place this State in the van of Co-operative progress always in comparison not only with British India but also with the other countries of the world.

We once more beg to request you, Sir, to accept our congratulations and wish you God-speed in the noble task of ameliorating the economic and other conditions of the people of the Mysore State for whose progress His Highness the Maharaja has continually shown such unwearied solicitude. Your natural great qualities of head and heart have already won the esteem and confidence of all classes of people in our State and need we say that in these circumstances it is no exaggeration if we repeat the words of the great Persian Poet, Sadi, that "that is musk which discloses itself by its own smell, and not what the perfumers impose upon us."

"Copy"

10/10/26

SPEECH BY THE DEWAN OF MYSORE AT THE OPENING OF THE THIRTEENTH MYSORE PROVINCIAL CO-OPERATIVE CONFERENCE HELD AT THE RANGACHARLU MEMORIAL HALL ON MONDAY THE 11TH OCTOBER 1926.

SPEECH BY THE DEWAN OF MYSORE AT THE OPENING OF THE THIRTEENTH MYSORE PROVINCIAL CO-OPERATIVE CONFERENCE HELD AT THE RANGACHARLU MEMORIAL HALL ON MONDAY THE 11TH OCTOBER 1926.

It is a great pleasure to me to be associated with you to-day. I owe the privilege to my friend Rajakaryaprasakta, Rao Bahadur M. Shama Rao, the father of the Co-operative Movement in Mysore and appropriately, the President of the Mysore Co-operative Propagandist Institute. When Mr. Shama Rao asked me some days ago to open this Conference with a few remarks, my first inclination was to decline the invitation as I was afraid I would be too busy, but I felt that, if I did so, I would be depriving myself of a welcome opportunity of giving public expression to my profound belief in the Co-operative Movement and to the high value I place on the work of those who are engaged in its development.

The Address which Mr. Shama Rao has just read on behalf of the Conference contains some very kind and generous remarks about me and the work I am endeavouring to do. These friendly and earnest good wishes are to me a real help and inspiration, for they come from men who themselves deserve well of their country and are uttered by one of her wisest and most strenuous servants. In being with you, Gentlemen,

I feel this special happiness, that our brotherhood is that of action, not of mere sentiment or word. All that we truly feel and know has come to us in the actual effort to do good, without which no man can truly understand anything; and it has value only in so far as it enables us to work harder and more wisely. I cannot voice to you the earnestness with which I desire to do some lasting service to His Highness and his people during the time allotted to me—to forget everything, to be entirely forgotten, if only by such definite means as those you stand for, they may become happier, wider in outlook, freer from stunting anxieties and from the petty cares and purposes that close them in and dim their vision. I know that we who are met here are one in this hope and purpose, and this is why I so sincerely thank you for words that are, in effect, a pledge of unwavering co-operation with me.

It seems to me that Co-operation is a manifestation of the change in spirit which has come over the business world during the last century. The change, as I understand it, is mainly in the direction of considering individual interests in relation to the common good. This, I take it, is what is meant by co-operation as opposed to competition. The change is far from complete even in the West where it first manifested itself, and in this country the movement is barely 20 years old. Yet its progress has been phenomenal. A perusal of the reports of the Co-operative Department in the various Provinces of India will show what congenial soil the movement has found in this country.

In Mysore, where capitalists able, ready and willing to undertake large business enterprises on Western

lines are lacking, the successful development of the Co-operative Movement appears to me to be the only means of developing the resources of the State. The progress we have achieved during the past 20 years gives me every hope for the future. We have about 1,600 co-operative institutions working in different parts of the State, with a membership of 96,000 and a working capital of Rs. 98½ lakhs. The mere figures may not mean much but when we remember the steady, persistent, and unselfish efforts of those who have produced these results, the figures are significant of what earnest and concerted endeavour can perform.

A general survey of the Co-operative Movement in the State appears to me to show that its development has been rather one-sided. Nearly all our societies are credit institutions. I am aware that we have some societies of a non-credit type; also that several credit societies undertake other functions. Yet the fact remains that, in the main, our development has been a development of credit. I am far from discounting the importance of credit which is certainly the primary need of our agriculturist. But the provision of money is not by itself of much use to him. Indeed, I can conceive of its being a positive harm. The raiyat does not want money as money. He wants it to buy cattle, ploughs, implements, manure, seed and the like. You have got to give him facilities in these matters by the formation of agricultural supply societies of various kinds. Next, he wants facilities for marketing the raw produce raised by him to the best advantage, and this is possible only through agricultural sale societies. If he wishes to go a step further and convert his raw

produce into a finished product, he will enter upon the domain of Industrial Co-operation.

I have heard it said that with the present general level of intelligence, the scope for industrial co-operation is very limited. This may or may not be so. I do not wish to express an opinion. But, in any case, I think the time has come for you to take up the development of agricultural supply and sale societies side by side with credit societies. Without such harmonious development, your work will be incomplete and possibly harmful. I find that this is one of the subjects which you propose to discuss at this meeting and I hope that your discussions will result in a definite and practical scheme.

Mysore was, I believe, first in the field in the matter of Co-operative House-Building. But for some reason, of which I am not aware, this early promise has not been fulfilled. The wholesale destruction and damage caused by floods in recent years has given a new stimulus to this activity. But I do not know if this is going to be a permanent feature of our work here. It is true that the overcrowding that in the West stimulated effort towards co-operative house-building activities is less prevalent in this country ; but the insanitary and, very often, the squalid surroundings in which the bulk of our population live, ought surely to provide a similar incentive. I firmly believe that clean, sanitary and healthy surroundings directly lead to purity of life, and it is the business of every public-spirited individual to try and secure such surroundings for his fellow-citizens. I have in my mind at the present moment not so much the improvement of cities like Bangalore or

Mysore, which involves heavy expenditure, but of the villages. The mildness of our climate and the simplicity of our requirements are all in our favour, and render the investment of large amounts for the improvement of individual villages unnecessary. I am aware that considerable difficulty is likely to be experienced at the beginning. But so it was in the case of the credit society and if difficulties had daunted the pioneers of the movement in their earnest and persistent efforts, they would not have made such progress. Their success surely should be an encouragement to us. It should be our aim to convert our ugly and unhealthy villages into attractive and healthy ones, consisting of houses simply built—but with play grounds, schools, co-operative societies, places of worship, and other public institutions. House building co-operative societies can do a great deal towards this transformation and I shall be glad if this question receives your attention.

A point on which I should like to lay some emphasis is that your institutions ought to serve as a powerful means of promoting that well-known though little practised quality—thrift. Co-operative societies are essentially institutions meant for the promotion of thrift and I am aware that this is included among your objects. But I should like to see every society recognise it as an active part of its normal work, to organise house-to-house campaigns in its behalf.

I trust you will include in your active programme the problem of reaching the depressed classes. The strength of a chain is judged by its weakest link, and so long as the depressed classes remain what they are, there can be no general uplift of the country. If it

is to progress, you must take them with you. This will involve earnest and intense effort on your part, and I can assure you, on behalf of Government, that they will be prepared to help you in all possible ways.

I believe I am right in thinking that the relief of agricultural indebtedness is a problem that has long been under your consideration. I understand that some attempt was made to tackle it by means of co-operative societies and that on the whole, the attempt was unsuccessful. That, I think, was inevitable, because co-operative credit societies are not the right type of institution for the provision of large or long term loans. In the recent orders which Government have passed on Malnad Improvement, they have indicated their intention to entrust the redemption of agricultural indebtedness to Land Mortgage Banks; and they propose to start three such institutions in the malnad districts of Shimoga, Hassan and Kadur. As the scheme is fully described in the Government Order, I shall not go into its details here. But I should be glad if you would discuss this subject at this meeting and favour Government with your well considered opinion.

One of the features in the working of the Co-operative Movement in Mysore which causes me some concern is the large increase during recent years in the number of co-operative disputes. I should have thought that if loan applications were carefully scrutinised, the purposes of loans approved, the trustworthiness of applicants established, and the actual utilisation of loans watched, there should be little or no room for disputes in co-operative transactions. Yet such disputes have been numerous. This would seem to indicate a

certain amount of slackness in the management of the societies in which these suits arise. Societies thus managed are a blot on the fair name of Co-operation and I would ask you to deal faithfully with the matter.

Another question to which I would ask you to give your immediate attention is that relating to the supervision and inspection of co-operative societies. This work, as you are aware, is performed at present almost entirely by the Co-operative Department, consisting of the Registrar and his staff. This staff has been increased from time to time as the need arose. At the present moment there is a proposal for such increase pending before Government, and I have no doubt it will receive every consideration at the hands of my colleague the First Member of Council. But you will recognise that Government cannot go on adding to the cost of the Co-operative Department. It seems to me that the time has come when you should come to the help of Government in this matter. The question, I find, has been carefully worked out by the Mysore Co-operative Committee, who have given in their report detailed suggestions for the formation of a non-official staff. Before Government pass orders on the Committee's scheme, they would like to have your opinion.

Gentlemen, I am afraid I have taken up more time than I intended. I shall conclude my remarks with a few observations on the Mysore Co-operative Propagandist Institute, under whose auspices this Conference meets to-day. I whole-heartedly welcome the formation of this Institute and I foresee for it a bright future. A central institution for co-ordinating all

co-operative activities in the State, for undertaking propaganda, for publishing bulletins and magazines, for holding lectures, training classes and the like has been a long felt want in the State; and the Central Propagandist Institute meets this want. One of the most useful services which it can render to the Co-operative Movement is to act as a permanent committee of this Conference and see that the decisions which you arrive at are brought into operation. I would like that your decisions should be tabulated and referred by the Institute to co-operative societies, the Registrar, or the Government as the case may be, for necessary action. The result of the action taken should be noted and reported at the next meeting of the Conference. This will be a continuation of your work here, and will prevent your decisions from being mere pious hopes. The Institute has secured in Rajakaryaprasakta, Rao Bahadur Mr. Shama Rao, a President, who, by temperament and experience, is admirably qualified to start it on its career of usefulness and public service, and I have every hope that under his able guidance it will grow into a flourishing and responsible centre of co-operative activities.

I now declare this Conference open.

F. VI. Gl.]

SUBJECT.....

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Section C.S.

File No. 49-26

Serial No 2

Diary No. of letter replied to.....

No. D 3613 Dt 24/11/26

To

The Regr of C.S.

General and Revenue Secretariat

( )

the *192*

Sir. I am directed to request that a copy of the proceedings of the 13th Mysore Cooperative Conference held at Mysore on 11/10/26 with yr proposals in regard to matters on which action may be taken may be sent to this Office at a very early date.

I have etc.

Date of issue 28.6.27

Signed by Dr. V. Venkaya

List of enclosures.....

Copied by.....

Examined by.....

WP 30/11/26

for Secy to Govt

over Dev. Dept.

WD 01265—GPB—31,000—24-12-25

38237

No. 2722-C.S.

DEPARTMENT OF CO-OPERATION.

GOVERNMENT OF MYSORE.

Tel. Address: "CO-OPERT" BANGALORE

OFFICE OF THE REGISTRAR OF CO-OPERATIVE SOCIETIES IN MYSORE.

GEN. & REV. SECTT. 3893

Dated Bangalore, 22nd December 192 6.

25, C.S. 49-26-3

FROM

K. H. RAMAYYA, ESQ., B.A., BAR-AT-LAW,
REGISTRAR OF CO-OPERATIVE SOCIETIES IN MYSORE,
BANGALORE.

GEN. & REV. SECTT. BR. 9 26. DEC. 1926

To

C.Ranganatha Rao Saheb,Esq., B.A.,B.L.,
Secretary to Government of Mysore,
Development Departments, Bangalore.

Sir,

With reference to your letter No.D.3613/C.S.49-26-2 dated the 24th November 1926, asking for a copy of the Proceedings of the 13th Mysore Provincial Co-operative Conference held at Mysore during the month of October 1926 together with my proposals thereon, I have the honour to state that the Secretary of the Propogandist Institute under whose auspices the Conference was held has reported that the proceedings are being printed and that a copy would be sent early. I herewith send for the information of Government a copy of the Resolutions passed at the Conference and submit my recommendations on the action to be taken by Government on some of them.

Resolutions on Subjects Nos.1,2,3,11,12,16 and 27 relate to the action to be taken by the Department directly with the help of its staff. Regarding the adequate financing of rural societies and safeguarding the return of loans punctually, I have issued proper instructions to the Inspectors and the Assistant Registrars to see that a property list of members is maintained in all the rural societies and changes that take place from time to time by sale, mortgage, alienation etc., are noted therein correctly. I have also instructed them to fix the creditworthiness of each society annually by scrutinizing the property registers. When the property Register is maintained up-to-date, it will not be difficult to fix the limit upto which a society may borrow from the Apex Bank for all its members.

Special attention is being paid by the Department already for

for the development of Agricultural Co-operation. A larger number of societies will be induced this year to take up the supply of seeds, manure, agricultural implements etc., to their members with the help of loans from Government and also from the Provincial Bank, and also by setting apart a portion of their Reserve Funds.

With regard to Resolution on Subjects Nos.11,16 and 27, I am taking action separately by convening a Meeting of the Sub-Committee appointed for the purpose, and the results of their deliberations will be reported to Government in due course.

Regarding the resolution on Subject No.4 about ordinary and penal interest to be charged by the Apex Bank and the Primary Societies, I have the honour to state that this subject was discussed at several previous Conferences and I requested Government in my letter No. 6122 CS dated 10th June 1926 that the rate of ordinary and penal interest should be fixed at 9½ per cent ordinary and 10½% penal. But as the Government in their letter No. JC 842 / CS 133-25-2 dated 4th August 1926 desired that the subject should be placed before the Provincial Conference and the opinion of the members obtained, the subject was discussed again and it was resolved that the rate of ordinary interest in the Central and Apex Banks should not be more than 8½%.

Resolution.

That the rate of ordinary interest in the Central and Apex Banks should not be more than 8½ per cent for regular payments and that in primary societies it should not be more than 9½ per cent, provided that where the society gets borrowed capital, the rate should not be less than 1 per cent above the rate of interest given by the society for borrowing, subject to a maximum of 10½ per cent. Further reduction of interest may be considered again at the next Conference.

(b) That the limit of the rate of penal interest charged by Central and Apex Banks should not be more than one per cent above the contract rate.

For the growth of the movement it is very necessary that

that some maximum limit should be fixed on the rate of interest to be charged on loans given to societies by the Apex Bank and on loans to members by unlimited societies. The rate of interest in the Apex Bank and the Central Bank is fixed from time to time by the Directors and so long as there is a good Directorate in the Banks who will work the Banks solely in the interest of rural societies, it will be all right. But if, for any reason, the management gets into the hands of unsympathetic Directors, there is no power for the Registrar to fix the rate of interest on loans issued by them. Some years ago, the rate of interest on loans granted by them was 7½ per cent, and it was gradually - increased to 8½ and 9½ and more, and the penal rate was fixed at 12, 14 and even 16 per cent in some cases. After repeated - urgings and with great trouble the Banks were induced to reduce the rate of penal interest to 12 per cent. Unless the maximum limit is fixed in the Co-operative Rules, it will not be binding on the Banks to keep the rate at a fair level consistent with the rate of interest to be paid for the attraction of funds from the public as deposits. The Apex Bank exists for financing rural societies chiefly and helping the agriculturists to get money for all their requirements. If a higher rate is charged it will be impossible for them to derive the maximum advantage from the Apex Bank. I therefore request the Government to pass a Rule fixing the maximum rate of ordinary interest at 8½ in Central and Apex Banks and at 10½ per cent in the case of - primary societies.

Regarding the Resolution on Subject No.5 about the concessions required to the Apex Bank from Government and the Mysore Bank, I have in consultation with the President of the Bank already submitted a recommendation to Government separately for orders.

CS 82/26 submitted separately

Regarding the Resolution on Subject No.8 about the transfer of loans from societies indebted to the Central Bank to the Apex Bank, I have the honour to state that I have taken all possible action in the matter. The Central Bank is willing to

to transfer all the loans to the Apex Bank at ~~the~~ Book value, but is not prepared to give the portion of the Reserve Fund built up from the profits of transactions with the societies. But, the Directors of the Provincial Bank are agreeable to take over the loans, only on condition that a portion of the Reserve Fund is also transferred along with them. I have requested the President of the Central Bank to arrange for a joint meeting of the Directors of both the Banks, and on hearing from him, I shall submit a separate report on this very important subject.

Regarding the Resolution on Land Mortgage Bank,, I have to state that just as the Government are prepared to start 3 Land Mortgage Banks for the Malnad Taluks, steps may be taken to start a Land Mortgage Bank in one of the maidan Districts where facilities exist for the successful working of such a Bank.

The following are the chief among the other Resolutions which require action on the part of the Government:-

Subvention to the House-Building Societies.

Subvention to Depressed Class Societies and grant of other facilities for the amelioration of their economic condition.

Investment of Trust and Muzrai Funds in well-established Co-operative Societies.

Regarding assistance to House-Building Societies, I have to state that in several British Indian Provinces, the Government have been setting apart funds annually amounting to 4 and 5 lakhs for helping the growth of House-Building Societies. At present the Registrar is not given any special funds for helping the formation of House-Building Societies specially in urban areas, where the demand for such societies is keen and the existing House-Building Societies have to borrow from the Apex Bank at a high rate of interest and lend to their members. As the terms of the loan are exhorbitant, the growth of these societies has been slow. In order to provide good and sanitary houses for the poor and middle class people in urban areas, I request that the Government may be pleased to allot 2 lakhs of rupees annually at 5 per cent for granting loans to House-Building Societies, the loan being made repayable in 20 years, in annual instalments.

C.S.81-26

Regarding the help required for the improvement of the Depressed Classes, I have already submitted a recommendation in my letter No. 2548 dated 17th Dec 1926 for the sanction of a special staff and also for funds required for the work and I request Government to pass early orders in this matter.

Regarding the Resolution of the Conference on Subject No. 23, I have to state that in some places where there are good Muzrai Institutions whose funds are at present invested in Government at a low rate of interest, there are also good Co-operative Societies doing banking business on a large scale.. If the funds are made available to such societies, it will not only supplement their working capital but will enable them to help a large section of the people with facile credit required by them. The societies are ready to pay the rate of interest paid by Government on these funds and the money will be invested on proper securities. In the Madras Presidency, Municipal Funds District Board Funds, Excise and Octroi Deposits are allowed to be deposited in the Central Banks that finance rural societies. I recommend that a similar beginning may be made in our State by allowing Muzrai Funds to be deposited for long periods in well-established societies approved by the Registrar from time to time. The grant of this special concession will help the Muzrai Institutions also by creating more interest in the local people about their management.

Regarding the Resolution about the amendments to the Co operative Regulation and Rules, I have been drafting certain amendments to the Regulation and Rules and I shall submit them separately for the consideration of Government.

I request you to kindly move the Government to pass early orders on the several proposals of mine contained in this letter.

I have the honour to be,
Sir,
Your most obedient servant,

K H Ramayya
Registrar.

THE THIRTEENTH MYSORE PROVINCIAL CO-OPERATIVE CONFERENCE.

October 1926.

****

SUBJECT No.1.

Adequate financing of Societies.

Resolution:-

Resolved that either at the Annual General Meeting or at a Special General Meeting of rural Societies, convened before harvest, the amount of loans required by members for the year from the financing institutions be discussed and settled after carefully scrutinising the purposes of loans and the capacity of each applicant to repay the loan.

Messrs.G.B.Raghavendrachar, Proposer.
H.V.Rudrayya of Kalur, Seconder.

****

SUBJECT No.2.

The maintenance of a correct property register in each society for the assessment of its credit-worthiness.

Resolution:-

Resolved that unlimited liability societies do maintain a property register containing details of properties of members with encumbrances thereon, if any, and the Committee should check the details annually and record a certificate regarding the corrections of the same.

Proposer:- Mr.Lakshmana Rao, Kalur.
Seconder:- " Narayana Rao of Avani.

****

SUBJECT No.3.

The necessity for regulating the repayment of loans by affiliated societies to the District, Central and Apex Banks.

Resolution:-

Resolved that no time should be granted for payment of interest after the due date, that one month before harvest all

all societies should ascertain from their indebted members and verify the exact amount they could repay and insist upon the payment of the promised amounts and that applications for renewal from societies which have not ascertained the repaying capacity of their members as above, should be closely scrutinised by the creditor Banks.

Mr.
Proposer:- B.R.Chakravarthy of Sri Jaya Chamarajendra Society,Ltd., Mysore.
Seconder:-Mr.Chandiah of Chickmagalur.

****

SUBJECT No.4.

Ordinary and penal interest in

1. Central and Apex Banks.
2. Primary Societies.

Resolution:-

That the rate of ordinary interest in the Central and Apex Banks should not be more than 8½ per cent for regular payments and that in primary societies it should not be more than 9½ per cent, provided that where the society gets borrowed capital the rate should not be less than 1 per cent above the rate of interest given by the society for borrowings, subject to a maximum of 10½ per cent. Further reduction of interest may be considered again at the next Conference.

(b) That the limit of the rate of penal interest charged by Central and Apex Banks should not be more than one per cent above the contract rate.

Proposed by Mr. S.Venkatesiah of Hassan.

Seconded by Mr. Venkatachar of Grama and carried.

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SUBJECT No.5.

The Apex Bank. Concessions required from Government and the Bank of Mysore for its working in the best interests of Societies.

Resolutions:-

Resolution:-

Resolved that (a) Government be requested to give to the Apex Bank a fixed deposit of 5 lakhs of rupees at a concession rate of interest for a sufficiently long period and

(b) that Government be requested to arrange for a cash credit to the Apex Bank up to 2 lakhs of rupees through the Bank of Mysore.

(c) That in order to facilitate and regulate the flow of capital from the Apex Bank to the Primary Societies, steps be take to assess the creditworthiness of societies requiring loans, without delay.

Proposer:- Mr.Venkatesiah of Hassan.

Seconder:- Mr.M.Ramaswamy of Mysore.

****

SUBJECT No.7.

Arrangement for the audit of societies affiliated to the Apex Bank by a Staff of Auditors maintained by the Bank.

This was considered unnecessary.

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SUBJECT No.8.

Transfer of the loans due from Societies indebted to the Central Bank to the Provincial Apex Bank.

Resolution:-

That in view of existing conditions, it is no longer desirable that any relationship should continue to subsist between the Central Bank and the Societies indebted to it.

This Conference is of opinion that, in the interests of the Co-operative Movement, it is highly desirable to transfer all outstanding transactions of the societies with the Central Bank to the Apex Bank without delay.

That, in view of the difficulties of assessing market values of these numerous transactions, it is desirable to transfer to the Apex Bank all transactions wholesale, together

together with the proportionate amount of reserve fund built up from the interest realised from societies.

Proposer:- Mr. S.Venkatesiah.

Seconder:- Mr. S.K.Setlur.

****

SUBJECT No.[illegible]-(9)

Land Mortgage Banks.

Resolution:-

The Conference, while thanking Government for their Order dated 11-10-1926, re: the establishment of 3 Land Mortgage Banks one for each of the Districts of Hassan, Kadur and Shimoga, was of opinion that one Bank at least, should be started in a Maidan District.

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SUBJECT No.11.

Industrial Co-operation.

Resolution:-

1. With a view to afford relief to the weavers from the disabilities and hardships under which they are at present labouring.

(. Resolved that a Central Weavers' Depot or Emporium be started to supply looms, yarn and improved appliances to all weavers' Societies, to place orders for the particular kind and pattern of goods required as per market conditions, and to take back the finished goods and find a sale for them, which, among other advantages, would enable the weavers to continue their operations throughout the year.

2. That in cases where, for any reason, the existing co-operative societies cannot undertake the duties of the spinners' associations, spinners' associations be started in suitable - places, and the same be affiliated to the Central Depot or - Emporium, which would also arrange for the supply of charakas, cotton,etc., take back the yarn, get the yarn converted into

into fabrics and arrange for their sale.

3. That the Director of Industries be requested to arrange to send demonstrators to all places where at least 25 spinners can be had to learn spinning.

4. That a Committee consisting of the following gentlemen be appointed for making all necessary investigations for starting a Central Emporium, as suggested above.

1. Director of Industries.
2. President of the Propagandist Institute.
3. The Registrar of Co-operative Societies
4. Mr. Kongadiappa.
5. " Adinaraniah.
6. " Rudriah of Malur.

With power to add.

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SUBJECT No.12.

Development of Agricultural Co-operation.

Resolution:-

1. A larger number of credit societies be induced to come forward to undertake the sale of seed and agricultural implements.

2. In addition to separate societies for sale of agricultural produce, existing credit societies also to arrange for grant of loans on the security of agricultural produce and enable the members to realise larger profits for their crops.

Messrs. Sri [redacted] Narasimha Sastry.
Shamachar of Thirthahalli.

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SUBJECT No.14.

House-Building Societies.

Resolution:-

That Government may be pleased to place a sum of two lakhs of rupees every year at the disposal of the Apex Bank for being lent to House-Building Co-operative Societies, at a cheap rate of interest, so as to enable the latter to lend the same to --

to members at 6 per cent, and recover the amount in 200 monthly instalments.

Proposer:- Mr.Sitharamayya of Shimoga.

Seconder:- " C.Sesha Sastry

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SUBJECT No.16.

Stores Societies.

Resolution:-

That the Registrar of Co-operative Societies and the Mysore Co-operative Propogandist Institute do take early steps for the establishment of a Central Co-operative Stores at Bangalore for the supply of the requirements of all Stores Societies in the State by arranging to get articles from the places of production avoiding middlemen.

Proposer:- P.Raja Rao
Seconder:- G.Narayana Rao.

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SUBJECT No.17.

Depressed Class Societies and special facilities required for their supervision, and development.

Resolution:-

1. This Conference recommends that special Co-operative Societies be organized in villages or areas where lands have been granted to Adikarnatakas or other landless classes, such as Lambanies, and Criminal Tribes under the non-alienation scheme, and that loans be granted to them on special terms on the joint personal security of the members.

2. The Conference further recommends that, in conjunction with societies for Depressed Classes, organizations for social service and provision of subsidiary occupations should be started simultaneously.

3. This Conference recommends the formation of societies for Co-operative farming, whenever possible, in areas where lands are proposed to be given free or for upset price and that lands be granted to such societies instead of to individual -

individual members.

4. This Conference recommends that special steps be taken to organize more industrial societies particularly in the [illegible] weaving centres of Adikarnatakas.

5. This Conference recommends that Government be pleased to direct that preference be given to Cobblers' Societies in placing orders for the requirements of the Police, Excise and Forest Departments in respect of sandals and belts fixing the rates and [illegible] specifications after enquiry.

6. Resolved that a special grant [illegible] for 3 years be given to each society to meet the establishment charge, at [illegible] of 4 to 16 rupees per month according to the nuber of [illegible] from 25 to 100.

7. Resolved that Government be requested to relax the application of rule 28(2) of the Co-operative Rules [illegible] of loans to be granted to Adikarnatakas.

8. Resolved that Government be requested to give a special grant of Rs.25,000/- for this year for financing Co-operative Class Societies.

9. Resolved that some Co-operative [illegible] should be recruited from the Depressed Classes, [illegible] appointed immediately with a view to [illegible] for special appointment for this purpose.

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SUBJECT

Amendment of Co-op[illegible]

Resolution:-

1. (1) That in cas[illegible] society does not, withi[illegible] defaulter or [illegible] notice herein after ma[illegible] ont from the service of [illegible] by such society by a[illegible] rule any objection to a [illegible] authorities, it sha[illegible] ce served on him through the [illegible] the defaulter and [illegible] t be necessary to file a civil suit [illegible] cover the sum d[illegible] the society as if it were an arrear [illegible] land revenue.

I. That in cases where a defaulter desires to object to any such claim as mentioned in the first rule, he may do so by a petition addressed to the Deputy Commissioner, and then a suit shall be filed.

Proposer:- Mr.B.N.Raghaviah, Shimoga.
Seconder:- " G.K.Setlur, ... Tumkur.

II. That in cases where a person is in the possession of property which has been sold for the recovery of any debt due to a society, the purchaser may apply to the Deputy Commissioner for delivery, and the Deputy Commissioner shall have all the powers of a civil court under the provisions of the Code of Civil Procedure in this behalf and shall also conduct his enquiries like a Civil Court.

That where property has been sold under the Land Revenue Code in execution of a co-operative decree the purchaser may apply to the Deputy Commissioner for delivery, and the Deputy Commissioner may be empowered thereupon to act as a Civil Court and he shall, in all respects, proceed to deal with the matter in accordance with the provisions of the Civil Procedure Code in the matter of the delivery of property.

Proposer:- Mr.H.K.Jayathirthachar, Shimoga.
Seconder:- " G.V.Nanjappa Setty, Nanjangud.

III. That the Registrar be empowered to transfer any order passed by him to a Civil Court for execution on requisition therefor by the decree-holder society, and the xx Civil Court having jurisdiction shall, thereupon, execute the decree as if it were a decree passed by itself, or transferred to it under the Civil Procedure Code.

Proposer:- Mr. B.N.Raghaviah. Shimoga.
Seconder:- " H.K.Jayathirthachar, Shimoga.
Supporter:- " K.H.Siddaramanna Setty of Maddagiri.

P a s s e d.

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Subject No.20 continued.

1. Resolved that the Law be so amended that societies which have built up a reserve fund of 25% of the paid up shares shall be allowed to pay only 12½% of the net profits to the Reserve Fund.

Fund.

Messrs.P.N.Venkata Rao, and M.Ramaswamy of Mysore.

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2. Resolved that 50% of the penal interest be set apar for utilising the same for educational and charitable purposes.

Messrs.P.N.Venkata Rao, Ananthiah, M.Ramaswamy.

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Subject No.20 continued.

Resolution:- That this Conference is of opinion that the Government, or the Registrar with the previous sanction of Government, may prescribe from time to time the maximum rates o ordinary and penal interests to be levied from members.

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SUBJECT NO.23.

Investment of Trust and Nuzrai Funds in well established Co-operative Societies.

Resolution:-

Resolved that Government be requested to allow Trust and Nuzrai Funds and security deposits to be invested in well established co-operative societies approved by the Government.

Proposer:- S.Venkatesiah.
Seconder:- S.Narayana Rao.

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SUBJECT No.27.

Co-operative Insurance.

Resolution:-

That a Committee consisting of the following be constituted to investigate the possibilities of forming a scheme of Co-operative Insurance amongst members of Co-operative Societies and of cattle insurance.

1. The Director of Agriculture.
2. The Superintendent, Veterinary Department.
3. The Director of Industries and Commerce.
4. The President of Propogandist Institute.
5. The Registrar of Co-operative Societies.

With powers to add.

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Mysore Co-operative Conference, 1926

PRESIDENTIAL ADDRESS

BY

Mr. K. CHANDY,

FIRST MEMBER OF COUNCIL.

MYSORE

PRINTED AT THE GOVERNMENT BRANCH PRESS

1926

PRESIDENTIAL ADDRESS

TO THE

MYSORE CO-OPERATIVE CONFERENCE

11TH OCTOBER 1926.

When my friend Rao Bahadur M. Shama Rao, the President of the Mysore Co-operative Propagandist Institute, invited me to preside at this Conference, he told me that he proposed running the Conference on purely business lines. This was intended, I take it, as a hint to the President of the Conference not to waste time in talking about matters that have no direct business interest. I am thankful to Mr. Shama Rao for the opportunity that he has so kindly afforded me for mixing with the co-operators of Mysore for three days on intimate terms, and knowing about their work, their hopes and aspirations. I am thankful also for the valuable hint. I beg leave to pass on his advice to the co-operators assembled here so that our proceedings may be altogether useful and beneficial.

Before proceeding to make a few observations on co-operation, I request Mr. Shama Rao to permit me, in spite of his advice, to speak a word with reference to the unsettlement of ideas in recent years after the great world war. This unsettlement or questioning disposition embraces the whole field of philosophy, sociology and economics, and is really a new attempt to solve the riddle of human existence or at least to find some new poise or equilibrium for practical purposes.

It is not my purpose to take up time with a discussion of the factors that have unsettled minds. The failure equally of capitalist civilization and of communist society to give real contentment and a good life for the masses of men is one of the chief reasons that have led men to question the truth of assertions that had been accepted as axiomatic in the Victorian age. There is one aspect of the problem that has a direct bearing on the business aspect of co-operation and that is my excuse for referring to the matter. Co-operation and individualism seem manifestly to be opposites, but yet neither by itself makes a complete life; and the extent to which self-help and individualism in the management of co-operative societies will help instead of retard the movement is the aspect of the general problem that I wish to invite your attention to. The idea in Mr. Shama Rao's mind, I presume, is that if co-operation is regarded as a branch of philanthropy or a matter for academic discussion or a gentle aroma to be enjoyed during one's leisure hours and when favourable winds waft it towards you, it will utterly fail and cease to be beneficial, whereas if co-operators look upon their societies as business concerns to which one has to devote concentrated attention, and appoint as managers and secretaries only men with business ability, co-operation would succeed. That co-operation requires great leaders with conspicuous business faculties in an increasing measure in order to make it a success and enable its influence to spread far and wide admits of no doubt. Students of Economics are aware of what is called "Pareto's Law." This law, as I understand it, means that the wealth of the poorer classes increases in almost direct proportion to increase of wealth of the richer classes; or to be more accurate, if there is in any place a larger number of men with very high incomes, in that place there would also be a larger number of men with average incomes, than in another place in which the number of the former is smaller. In England, it is found that between 1895

It is not my purpose to take up time with a discussion of the factors that have unsettled minds. The failure equally of capitalist civilization and of communist society to give real contentment and a good life for the masses of men is one of the chief reasons that have led men to question the truth of assertions that had been accepted as axiomatic in the Victorian age. There is one aspect of the problem that has a direct bearing on the business aspect of co-operation and that is my excuse for referring to the matter. Co-operation and individualism seem manifestly to be opposites, but yet neither by itself makes a complete life; and the extent to which self-help and individualism in the management of co-operative societies will help instead of retard the movement is the aspect of the general problem that I wish to invite your attention to. The idea in Mr. Shama Rao's mind, I presume, is that if co-operation is regarded as a branch of philanthropy or a matter for academic discussion or a gentle aroma to be enjoyed during one's leisure hours and when favourable winds waft it towards you, it will utterly fail and cease to be beneficial, whereas if co-operators look upon their societies as business concerns to which one has to devote concentrated attention, and appoint as managers and secretaries only men with business ability, co-operation would succeed. That co-operation requires great leaders with conspicuous business faculties in an increasing measure in order to make it a success and enable its influence to spread far and wide admits of no doubt. Students of Economics are aware of what is called " Pareto's Law." This law, as I understand it, means that the wealth of the poorer classes increases in almost direct proportion to increase of wealth of the richer classes; or to be more accurate, if there is in any place a larger number of men with very high incomes, in that place there would also be a larger number of men with average incomes, than in another place in which the number of the former is smaller. In England, it is found that between 1895

and 1920, the number of persons with varying incomes between £160 and £10,000 per year increased almost in the same proportion as the increase in the number of persons with an income of over £50,000. For instance, the number of persons with an income of over £50,000 increased twelve-fold while those with an income of £160 to £300 increased fourteen-fold, and those with an income of £800 to £2,000 increased thirteen-fold. Whether there is economic truth in this law may be left to economists to dispute about; but there can be no reasonable doubt whatever that the whole work of co-operation in Mysore as in the rest of India will gain materially and hence also morally if ideas of co-operation being a philanthropic or meritorious undertaking are subordinated to the idea that it is a business proposition for increasing the wealth of the co-operators. Whatever the truth of Pareto's Law, it is obvious that men who are able to earn large incomes in business could increase the wealth of central banks and primary societies and hence naturally of individual co-operators.

Progress of Co-operation.—The Co-operative Regulation was introduced in Mysore in the year 1905. There are now 1,603 societies with a membership of 96,000; these societies extend their operations to 6,500 villages. They have collected a share capital of over 35 lakhs, attracted deposits to the extent of 35 lakhs and built up a reserve fund of nearly 16 lakhs. Loans issued to members during the year 1925-26 amounted to 59 lakhs. The fact that a sum of nearly a crore of rupees—98½ lakhs to be exact—has been attracted to the movement and is made available for various useful and productive purposes is a sufficient proof of the utility of the co-operative movement in the past and its potentialities for the future.

Need for more Societies.—There is however no doubt that the movement is capable of very vast expansion. There are nearly 16,500 villages in the

State so that there are no societies for 10,000 villages. For every thousand inhabitants in the State only fifteen are members of co-operative societies. The working capital available to the members is only 25 annas per head. These results are not satisfactory. The Samaldas Committee on Co-operation had noticed that in Mysore there were several societies that were not functioning properly. Since that report was written, 250 such societies have been wound up, without, however, reducing the total number as new societies have been formed. It is necessary to go on with this double process of abolishing moribund societies and starting a larger number of new ones till the number and the level of efficiency become at least twice as good as at present.

Apex Bank.—I said in the beginning that the aim of the societies should be to increase wealth, and this is possible only by collecting cheap capital on the combined credit of the members and making it available for profitable business. Out of the 1,603 societies in the State, 2 are central banks, 1,087 are agricultural credit societies, 191 are non-credit societies and 75 are depressed class societies. The central banks have collected a working capital of Rs.14¾ lakhs and the village credit societies a sum of Rs. 27¼ lakhs. The village societies are unable to attract sufficient capital locally because of the limited sphere of their operations and their inability to offer to investors that security and guarantee that is necessary to induce people to part with their savings. It is only sound and efficiently managed central institutions that succeed in attracting capital on a large scale. The Samaldas Committee had recommended the establishment of an Apex Bank for serving the interests of all co-operative societies. In agreement with the recommendation, Government directed the Provincial Co-operative Bank being converted into an Apex Bank. This Bank is now an Apex Bank but it is found from its annual report that it has only a total subscribed capital of Rs. 3,33,300, deposits of Rs. 6,23,230, and a

reserve fund of Rs. 52,657. Its transactions last year amounted only to Rs. 1,82,073. These are very poor figures for an Apex Bank, but I understand that a large sum of money is lying idle in the Bank. I trust the co-operators present here will seriously consider the various ways in which the Provincial Bank could function into a great Apex Bank dealing in future years in crores of rupees as it does in lakhs at present.

Comparison with Madras.—The population of Mysore is roughly 6 millions as against 42 millions of Madras so that we should not be less than a seventh of Madras in our figures. In share capital, loans and deposits and in membership we compare favourably with Madras; but in the operations of our central banks we are far behind. The paid up share capital of the central banks for the year 1924-25 was Rs. 3,79,360 against Rs. 36,92,477 of Madras, the loans and deposits held from societies at the end of the year was Rs. 39,534 against Rs. 37,24,417 of Madras, and from individuals Rs. 8,80,419 against Rs. 1,77,89,748 of Madras, that is, one-twentieth. Madras was able to get money at $2\frac{1}{2}$ to 7 per cent against 7 of ours, and to lend it at $7\frac{1}{2}$ to $8\frac{1}{2}$ against 9 to 12 of ours. Then again, loans and deposits held by agricultural societies in Madras from individuals, societies, Provincial Banks and Government, are all higher in proportion than in Mysore, and the total is Rs. 3,00,58,759 as against Rs. 11,41,418 in Mysore. While the population of Madras, as stated above, is only 7 times that of Mysore, in the wealth of agricultural societies, Madras seems to be nearly 30 times better. The rate of interest in primary societies on borrowings is $7\frac{1}{2}$ to $8\frac{1}{2}$ per cent in Madras, $6\frac{1}{4}$ per cent in Bombay; and on lendings $9\frac{3}{8}$ to $10\frac{15}{16}$ in Madras and $9\frac{3}{8}$ in Bombay, while in Mysore it is 9 to 12 per cent. These figures show conclusively that we have to make great headway in order to reach the level of Madras in this vital element of co-operation.

District Banks.—As the Apex Bank now extends its operations over the whole State, it will be difficult for

it to deal with societies scattered throughout the State unless it has suitable agencies. The District Banks and Unions have failed to function properly. What the defects have been that made them ineffectual it is for you to discuss. It is necessary that a similar agency should be developed again in order to serve as intermediaries between the Apex Bank and primary societies. Without some such agency, the Apex Bank will not be able to discharge adequately its duties as the chief financing agency of the movement.

Agricultural Credit Societies.—Of the agricultural credit societies in the State only about 250 have borrowed a sum of Rs. 9 lakhs from the central institutions. Why others have not felt the need for borrowing is a matter that you have to consider. To get credit cheaply and use it for productive purposes is the main function of these societies. Every agriculturist should be able to get credit readily from his co-operative society for all his agricultural operations and should be able to realise the best price for his crops. Village societies will not have attained their purpose if they do not help their members in these two respects. They should calculate the requirements of their members every year, obtain financial aid from the central banks in time and repay the loans punctually.

Land Mortgage Banks.—Loans taken by societies hitherto have been chiefly for the discharge of prior indebtedness and for periods varying from 5 to 10 years. They have not been able to repay the loans punctually probably because the duration was too short. The question of giving long term loans to agriculturists for freeing them from prior indebtedness has long been under consideration. A sub-committee of which I was the Chairman submitted a scheme for establishing Land Mortgage Banks nearly ten years ago. The scheme was discussed by various committees and conferences and the Samaldas Committee also recommended the establishment of Land Mortgage Banks on similar lines. The question was considered at the last meeting of the

Representative Assembly, and it is proposed to start as a first step three such banks for the malnad districts.

Cash Credit.—In some British Indian provinces the credit worthiness of rural societies is fixed annually by the department on the basis of the security offered by the members, and their capacity to discharge the loans ; they are then allowed to borrow within the limit fixed and this limit is changed from year to year, as the business of societies develop. In Mysore, loan applications from societies are being investigated only as each application is received. This method causes waste of time and is not efficient. In order to help rural societies adequately and in time, the adoption of a system of assessing their credit worthiness in advance and giving them an annual cash credit to that extent seems very necessary, and I trust that this subject will be considered carefully in this Conference.

Overdue Loans.—It is seen from the report of the Registrar that a large amount of loans made to rural societies is overdue. The test of a good society is the regularity with which members repay their loans and the success of societies depends a great deal on punctual repayment of loans. At one time, in several societies, the management had borrowed a large portion of the loan. That was stopped some years ago when I was Registrar, but societies will have to consider carefully the aspect of having only good business men to run their affairs. Perhaps a system of commission, the award of medals or any other suitable recognition of good work may induce efficient business men to take up the working of societies so as to ensure punctual repayment and progress from year to year.

Agricultural Co-operation.—Besides getting cheap credit for the agriculturists, agricultural societies have to provide them with good seed, manure and improved agricultural implements. About 250 of the existing rural societies have undertaken the supply of these articles to members. It is necessary that more societies should take up this very useful work. The Agricultural

Department is always ready to give advice and assistance. Every village society should profit by the advice of the department. Some District Boards, particularly the District Board of Mysore, have given encouragement for the development of agriculture, by means of scholarships, starting of schools, demonstrations, etc. Village Panchayets when they are formed can improve the output of agriculture by getting men trained in improved methods of agriculture, by supplying purer seeds, better manure and better implements, and by adopting combination in production and sale. Co-operative societies should endeavour steadily and persistently to become the agents of these local bodies for agricultural development. Our agriculturists, as you are aware, are not getting the best price for the harvest gathered by them; merchants and traders are making money by purchasing grain at the lowest price at harvest and selling in profitable markets when prices are higher. It is the function of village societies to see that the members realise the best price for their produce. It requires organisation to collect the grain, store it in proper places and sell in profitable markets. In Madras several societies for the sale of agricultural produce are reported to be working with remarkable success. In these societies loans are advanced to the members at the time of harvest on the security of the crop and the grain is collected, stored, and sold at a profit and the profit is distributed among the members. This Conference may study this subject and start similar societies in Mysore. In this matter also my original caution has to be repeated. The way in which the business man makes his profit is by taking risks. The average villager and the average secretary of a co-operative society are unwilling to take risks and so may not make profits, and you will have to see that the management is in the hands of men with business instincts, and, you should make it worth their while to run your society successfully.

Royal Commission.—In this connection it may be stated that agricultural co-operation in all its aspects will be most fully threshed out by the Royal Commission on Agriculture and we might be able to benefit by the findings of the Commission at our next session.

Economic Investigation.—The usefulness of societies is gauged by the extent to which they have economically benefited the members; and in order to measure these results, it is necessary that a systematic investigation of the condition of members of societies should be made periodically. This kind of investigation was taken up by the department when I was Registrar, and I understand that it is being continued. The investigation has not, however, been made systematically with regard to every rural society. A careful investigation of the economic condition of the members of every unlimited society is obviously necessary.

Non-Credit Societies—Stores.—There are in Mysore 229 non-credit societies. 82 of these are stores societies that deal in articles of domestic use; 45 are for sale of agricultural implements, manure, etc.; and 42 are weavers' societies. The prices of foodstuffs have risen considerably in recent years and if the credit of middlemen is eliminated, the consumers could probably get food-stuffs at a cheaper rate. Co-operative stores could help in this respect. If all the stores societies could combine and start a central store, at least for some of the articles, I am sure it will cheapen cost. The stores movement in Great Britain has been developed and perfected and some societies own their own factories. Whether a central store could be established in our State is a matter that has to be discussed. I have not seen your stores societies in recent years, but my recollection of them is that business acumen and the capacity for taking risks were somewhat lacking in some of them. A Central Stores Society will be a success only if business men with experience are associated with it.

Industrial Co-operation—Weavers and Sericulturists.—The weaving industry and sericulture are two im-

portant industries in our State. Although there are 42 weavers' societies and 9 sericultural societies, I understand that co-operation has not spread much among the people engaged in these industries. The economic condition of the weavers is very low; they are scarcely able to eke out a bare livelihood. They are labouring under several disadvantages of which want of capital and an agency for selling the finished articles are the chief ones. At present weavers' societies only lend money. What is required is an organisation for providing the weavers with yarn and other raw materials and for finding a profitable market for articles produced by them. If some persons with business ability start a central organisation for achieving the above objects, the results will be very tangible. As regards weavers it has also to be said that a vigorous temperance propaganda among them will be of great benefit. The prohibition movement in America, I understand, was taken up really as a business proposition for improving individual efficiency and this aspect has to be brought home to the weavers.

Sericulture is another industry in which the co-operative movement can render great help. A few co-operative societies have already been started solely for sericulturists. With the assistance of the department in training experts for each society it should be possible to start many more sericultural societies so as to make the manufacture of raw silk a very profitable concern. Business people have to be attracted to the movement and their brains utilised equally for their own benefit as for the benefit of sericulture. Sericulture has vast possibilities in Mysore along co-operative lines.

Depressed Classes.—The amelioration of the condition of depressed classes is another problem towards the solution of which co-operation can be of great use. In this matter also it will be useful if we subordinate the idea of social service to that of increasing efficiency. There can be no doubt that India will rise in economic

efficiency very vastly if the condition of these people is improved. The boys who have been educated in our hostels for depressed classes, as also others who are able to perceive the vast economic benefit of uplifting these people have to come forward to work as secretaries of depressed class societies and manage them on business lines. The department has been devoting some attention to the development of depressed class societies. The Registrar, I understand, is arranging to deliver a series of lectures on co-operative subjects and on health, sanitation and temperance with the help of a magic lantern graciously presented by His Highness the Yuvaraja. A good method of teaching thrift to the depressed classes is the introduction of home saving boxes. Every member keeps a box in his house and brings in his saving to his society once a week. Government have sanctioned funds for the distribution of such boxes. In some villages members of these classes know weaving and prepare rough kinds of cloth. The industry requires development. A co-operative society could get materials cheap and arrange for the sale of the manufactured articles. Spinning with charkas, although the return is small, is a remunerative subsidiary occupation for poor people during their leisure hours. Charkas may be distributed in all depressed class societies and the members encouraged to supplement their earnings by spinning during leisure hours. The Industries Department will supply charkas and demonstrate their working. The Registrar will be able to arrange to sell them at concession rates to depressed class societies. Government have given special concessions to depressed classes in the matter of acquiring lands. But, for want of cheap capital and business ability, the scheme has not achieved any great success. If co-operative societies are formed for the purchase of bullocks and manure and for selling the produce, it should be possible to develop these lands and make the condition of these people more prosperous. It will be a matter for congratulation if through this Conference

a few such societies could be formed in the coming year. These classes also require to be weaned from the habit of wasting their savings on drink. By steady persistent attention to these and other similar measures the economic condition of these people can be improved.

Propaganda Work.—The Registrar in one of his reports has stated that although co-operative societies have been working for 20 years, co-operators have not adequately realised the usefulness and potentialities of co-operation. A co-operative society is usually looked upon as a place for obtaining cheap credit, while the responsibility for using such credit for productive purposes and for improving the economic condition of the borrowers is not realised. The societies are self-governing institutions offering a training ground to its members. It is therefore necessary that people who join the movement should be educated adequately in the principles of co-operation. Government officers and non-official gentlemen have been doing this propagandist work to some extent, but it was found that a well organised central non-official agency is necessary for the purpose, and thanks to the efforts of my friend Mr. Shama Rao and a few other public spirited gentlemen, a Co-operative Propagandist Institute was started at Bangalore for educating the people about co-operation by means of leaflets and journals, by lectures, holding conferences, etc. Under Mr. Shama Rao's guidance as President, the Institute has been doing very useful work. It organised the last Conference successfully, and the present Conference is also held under its auspices. It has been publishing a monthly co-operative bulletin. It is proposed to hold training classes to give a course of training to secretaries and committee members of co-operative societies and also to school masters in principles of co-operation. It is hoped that co-operators who are assembled here will go back to their respective societies strongly imbued with the idea of lending their full support to the Propagandist Institute. Every society

might subscribe for the journal and use it for educating its members. For the benefit of those who are not literate, the contents of the journal may be explained. Societies might report their troubles to the Institute from time to time and get their difficulties cleared up. Societies might defray the cost of getting people trained in co-operation in the classes that are proposed to be opened at Bangalore and Mysore. Here again, it is hoped that only those who have some business instinct will be selected for such training. An instance of the useful work that the Institute has already accomplished may be mentioned. For the amelioration of the condition of petty traders in the Bangalore City New Market, a society was formed under its auspices. It has now 523 members who have all been able to get cheap credit in lieu of 20 to 40 per cent interest that they had been paying. During a period of 18 months, the society has done business to the extent of Rs. 1,08,400 and saved for its members about Rs. 28,000 in interest. Such societies will be useful for improving the resources of poor artizans and traders; and it is hoped that this Conference will take definite measures for establishing them in the important commercial centres in the State.

Conclusion.—You are aware that in Mysore as in the rest of India several movements have been set on foot in recent years for improving the condition of the people. So far as Mysore is concerned, the movement for improving the condition of the educationally backward classes and for elevating the depressed classes, the attempt to improve the physical condition of the boys attending our schools, the various measures of village improvement and reconstruction undertaken from time to time and the definitely social service movements in Bangalore and Mysore, are all attempts made for improving the social and economic condition of the people of Mysore. Some of these have perhaps been used for other purposes also and the ultimate aim is sometimes lost sight of, but two similar movements, namely, the Boy Scouts Organisation and the Co-

a few such societies could be formed in the coming year. These classes also require to be weaned from the habit of wasting their savings on drink. By steady persistent attention to these and other similar measures the economic condition of these people can be improved.

Propaganda Work.—The Registrar in one of his reports has stated that although co-operative societies have been working for 20 years, co-operators have not adequately realised the usefulness and potentialities of co-operation. A co-operative society is usually looked upon as a place for obtaining cheap credit, while the responsibility for using such credit for productive purposes and for improving the economic condition of the borrowers is not realised. The societies are self-governing institutions offering a training ground to its members. It is therefore necessary that people who join the movement should be educated adequately in the principles of co-operation. Government officers and non-official gentlemen have been doing this propagandist work to some extent, but it was found that a well organised central non-official agency is necessary for the purpose, and thanks to the efforts of my friend Mr. Shama Rao and a few other public spirited gentlemen, a Co-operative Propagandist Institute was started at Bangalore for educating the people about co-operation by means of leaflets and journals, by lectures, holding conferences, etc. Under Mr. Shama Rao's guidance as President, the Institute has been doing very useful work. It organised the last Conference successfully, and the present Conference is also held under its auspices. It has been publishing a monthly co-operative bulletin. It is proposed to hold training classes to give a course of training to secretaries and committee members of co-operative societies and also to school masters in principles of co-operation. It is hoped that co-operators who are assembled here will go back to their respective societies strongly imbued with the idea of lending their full support to the Propagandist Institute. Every society

might subscribe for the journal and use it for educating its members. For the benefit of those who are not literate, the contents of the journal may be explained. Societies might report their troubles to the Institute from time to time and get their difficulties cleared up. Societies might defray the cost of getting people trained in co-operation in the classes that are proposed to be opened at Bangalore and Mysore. Here again, it is hoped that only those who have some business instinct will be selected for such training. An instance of the useful work that the Institute has already accomplished may be mentioned. For the amelioration of the condition of petty traders in the Bangalore City New Market, a society was formed under its auspices. It has now 523 members who have all been able to get cheap credit in lieu of 20 to 40 per cent interest that they had been paying. During a period of 18 months, the society has done business to the extent of Rs. 1,08,400 and saved for its members about Rs. 28,000 in interest. Such societies will be useful for improving the resources of poor artizans and traders; and it is hoped that this Conference will take definite measures for establishing them in the important commercial centres in the State.

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operative Movement have, I believe, steadily been keeping in view the ultimate ideals of progress. In these two organisations, as far as I know, there is no rancour or acerbity, and people are aware that these movements have helped every individual member as also the body politic. In the co-operative organisation there is scope for work for all classes of people and by working for the common good it is immediately found that a man also benefits himself. It develops the latent business capacity of the people, it produces leaders, it encourages the growth of social virtues, of honesty and loyalty, and the prospect of a better life by concerted action is opened up. The effects of co-operation are already visible in the demand which the societies have created for education, in the spirit of unity which animates most societies in all matters tending for the growth of village life, and in the development of character and business habits.

I began this address with an emphasis on "business" and shall end it with the same note. Stephen Leacock who, besides being a great humourist, is also a learned Professor of Economics, says in one of his books that a good way of improving the wealth of a country would be to release from jail financial magnates who got into it by sailing too close to the wind of the public law, and permit them to devise methods for increasing their own wealth and incidentally the wealth of the country, and that if necessary they may be put back in jail after this is achieved. In this humorous fashion he has hit off the idea that in this world, the law of "nothing for nothing" really holds good, that wealth and comforts could not be increased by merely exploiting the rich for the benefit of the poor and asking for the moon in social institutions, and that what is wanted is keen attention to business, even the making use of such business men as we may be inclined to look down upon. There are in our towns and villages clever people who have not joined the co-operative movement. It will be unwise for co-operators to look down on such people. If, by

promise of reward, or approbation, these men can be brought into the co-operative net, under proper safeguards, there can be no doubt that they could be used for improving the condition of co-operative societies. In industrial societies, in stores societies, etc., mere goodness of heart is of no practical use. What is required is business ability. It does not much matter if your manager or director makes a good thing of the business provided he improves the financial position of the society and gives you good value for the money spent on him. This aspect, I trust, will always be remembered by co-operators and also by all people who are inclined to look down on the purely business man.

After all, as I said in the beginning, the ultimate problems are yet to be solved. There are few people who even understand all the elements of the problem that they set out to solve when they suggest cut and dry nostrums for social salvation. It behoves sensible people to make use of all agencies that increase the sum of human happiness. Each man frets or struts on his little stage for a little while, and his place knows him no more. Whoever makes his surroundings a little more beautiful, a little happier and more comfortable, has probably done his best and is more useful than one who thinks that his task is over by picking holes in the work or the motives of others. "Efficiency" and "service" are both words coined in America. There is no need that we should reject them on that account. We will probably be doing the best that is possible by accepting them as legal tender.

APP. F. VI. Gl.]

3 copies

SUBJECT.....

.....

.....

Section C. S.

File No. 49-26

Serial No. 4

No. D. 6300 of 9/2/27

Diary No. of letter replied to.....

To

The Registrar of C. S.

General and Revenue Secretariat

( )

the *192*

Sir, with reference to the correspondence ending with your letter No 2722 C.S. dated 25-[illegible] re: the proceedings of the 13th Mysore Provincial Co-op. Conference, I am directed to invite your attention to the paragraphs on thrift / Thrift in pages 5 & 6 of the Opening Speech at the Conference by the Dewan and to request that a circular letter may be issued to all Societies to organise a house to h[illegible]

over

Date of issue 5. 2. 27

Signed by [illegible]

List of enclosures.....

Copied by.....

Examined by.....

WD 01265—GPB—31,000—24-12-25

Campaign of thrift and another to minimise ~~for~~ suits as far as possible by careful previous inquiries before loans are sanctioned & watching over the manner in which the loans are utilised.

I am also to request that the propagandist institute may be addressed in regard to the tabulation of decisions arrived at at the conference for maintaining continuity of work, referred to on the last page of the Dewan's Speech.

The result of action taken may be reported for the info[n] of Govt. at the earliest.

I have etc.

WP 29/1

Secy to Govt
Dev. Depts.

F. VI. Gl.]

SUBJECT.....

.....

.....

Section C.S.

File No. 49-26

No. D. 6301 & 5/27

Diary No. of letter replied to.....

General and Revenue Secretariat

( )

the *192*

Date of issue 5.2.27

Signed by [illegible]

To

The Regr of C.S.

Sir, With refce to your letter No 2722 C.S. d 25-12-26 requesting to pass a rule fixing the maximum rate of ordinary interest in central & Apex Banks in the case of primary Societies, I am directed to enquire whether such a power re: interest on loans issued from central & Apex Banks has been taken by any other Govt.

I have etc

over

List of enclosures.....

Copied by.....

Examined by.....

WD 01265—GPB—31,000—24-12-25

Reply to Govt

Dev. Depts

27.1.27

No. 3[illegible]9

DEPARTMENT OF CO-OPERATION

GOVERNMENT OF MYSORE.

Tel. Address:
"CO-OPERT"
BANGALORE

OFFICE OF THE REGISTRAR OF CO-OPERATIVE SOCIETIES
IN MYSORE.

5774

GEN. & REV. SECRETARIAT
10 FEB 1927

Dated Bangalore, 15th February *1927.*

FROM

K. H. RAMAYYA, ESQ., B.A., BAR-AT-LAW,
REGISTRAR OF CO-OPERATIVE SOCIETIES IN MYSORE,
BANGALORE.

To

C.S. 49-26

N.Rama Rao, Esquire, B.A., B.L.,
Secretary to Government,
Development Departments,
Bangalore.

Sir,

With reference to letter No. D. 630/C.S. 49-26-5 dated 5th February 1927 received from Government, regarding the question of passing a rule fixing the maximum rate of ordinary interest and penal interest in Central, Apex and Primary Co-operative Societies, I have the honour to state that the subject was discussed at the 11th and 12th Mysore Provincial Co-operative Conferences. In accordance with those resolutions I requested Government in my letter No. 6122 C.S. dated 9th/10th June 1926 to pass a rule under section 44 of the Mysore Cooperative Societies Regulation No. VII of 1918 but Government directed in their letter No. I.C. 842/C.S. 133-25-2 dated 4-8-26 that the question of modifying the Regulation so as to give to Government the power of fixing maximum rates of ordinary and penal interest for Societies and Banks from time to time in view of market rate etc., may be discussed at the 13th Provincial Co-operative Conference. Accordingly, the subject was placed before the last Conference and discussed and the resolution has already been submitted to Government. As the Government now require information whether such a power has been taken by any other government

1774

I have addressed the Registrars of Madras, Bombay, Bengal, the Punjab and Hyderabad in the matter and on receipt of replies from them, the information required by Government will be submitted.

I have the honour to be,
Sir,
Your most obedient servant,

for. CH Ramayya
Registrar.

wH

This is only an ad interim reply. The main file is in the financial Secty for opinion. re the allotment of Rs 2,00000/- every year for H.B. Coop. Societies ~~in every, Govt's Budget~~ further report from the Regr may be awaited

HDK 22/2/27

VS 2

Yes / WD 25/2

Secs A

CEN. G. ... DEPT.

3 offts 2P

APP. F. VI. Gl.]

SUBJECT.....

Issue & Submit.

Section C. S.

File No. 49-26

Serial No. 6

No. D. 6302 & 5 Encls

Diary No. of letter replied to.....

To The Regr of C.S.

General and Revenue Secretariat

( )

the *192*

Sir, with refce to your letter no 2722 C.S. d 25/12/26 recommending the estt of a Land Mortgage Bank in one of the Maidans Distts, I am directed to request that suitable proposals may be sent up in the matter at an early date for the consideration of Govt

I have etc.

Date of issue 5.2.27

Signed by Dy Secy

for reply to this letter vide C.S. file 126-26.

List of enclosures.....

Copied by.....

Examined by.....

Dy. Secy to Govt

Dev. Depts

Note 27/1/27 over

WD 01265—GPB—31,000—24-12-25

No. 4262

Tel. Address :
"CO-OPERT"
BANGALORE

DEPARTMENT OF CO-OPERATION.

GOVERNMENT OF MYSORE.

OFFICE OF THE REGISTRAR OF CO-OPERATIVE SOCIETIES IN MYSORE.

Dated Bangalore, 9th March *192*7.

FROM

K. H. RAMAYYA, ESQ., B.A., BAR-AT-LAW,
REGISTRAR OF CO-OPERATIVE SOCIETIES IN MYSORE,
BANGALORE.

To

N.Rama Rao, Esquire, B.A., B.L.,
Secretary to the Government of Mysore,
Development Departments.

Sir,

With reference to your letter No. D 6300/C.S. 49-26-4 dated 5-2-27, inviting my attention to the remarks made by the Dewan at the last Provincial Conference on the subject of "Thrift and Suits", I have the honour to submit herewith a copy of the Circular that I am issuing to all the Societies in the State. I am further instructing the Assistant Registrars and Inspectors to see in the course of their tours that the instructions contained in the circular are properly carried out.

I may also state that I have addressed the President of the Propagandist Institute in the matter of tabulating the decisions arrived at the last conference.

I have the honour to be,
Sir,
Your most obedient servant,

K H Ramayya

Registrar.

ನಂಬರ್_____ಕೆ. ಸಿ. ಎಸ್.____.

ಮೂಲಪುಟ ನಂಬರ್

ಮೈಸೂರು ಗೌರ್ನಮೆಂಟು ಕೋಆಪರೇಟೀವ್ ಸೊಸೈಟಿಗಳ ರಿಜಿಸ್ಟ್ರಾರ್ರವರ ಆಫೀಸಿನಿಂದ.

ಸ್ಪೆಷಲ್.

ವಿಶ್ವೇಶ್ವರಪುರ ಶಾಲಾಮೆಹಾಲ್ಲೂಕು ಯಲ ಎಲ್ಲಾ ಪೆರಸ್ಪೆರಸಾಂಯಸಂಘ್ಗೆ ಗ್ರ

ಸೆಕ್ರೆಟರಿಯವರಿಗೆ. ರುಗ್ಗೆ ಸೆ

ಮೇಷ ಬಂಡ್ಗೆ ವಿ ವಾರ್ನ ಸ್ಥಾಹೇ ಬರವಕ್ಕ್ಗೆದ ಅಸ್ಸಿ ಬರ್ತಾ
ಗಳ್ಲಿ ವಿಶ್ವೇಶ್ವರಲ್ಲಿ ದಸರಾಂ ಸುಸ್ಥಿರ್ತಿ ವಲ್ಲೀಂಲರಲ್ಲಿ ನಸೆ ದ 13ನೇ
ಮುಹೂರ್ತಸಭೆಯನ್ನು ಪ್ರಾರಂಭಿಸುವಿಕಾಲದಲ್ಲಿ ಬಾರಿ ವಸಂಗಲಿ ಬ
ಗ್ಗೆ ದಾಖಲ್ಲಾಡಿ ತೆಗ್ಗೆ ಸಂಘ್ಗೆ ದಾಲಾಂಗ್ಗೆ ಸಂಇಚ್ಛೆಯನ್ನ
ಂಡಿರುವ ಮಾಡಿ ಇಲ್ಲಿ ದಿಂದದಲ್ಲಿ ಪ್ರಂ.ಬೊಂಯಲ ತಿಂಯುವೆಂ ಬರಲಗ್ಗೆ
ಸಂಘ್ಗೆ ದವೆಂ ಬುರುಗ್ಗೆ ಸ್ಥಾಲದದರ ಖಾಸ್ಗೆ ಗ್ರಸ್ಥೆ ಪ್ರೀಮ
ಎಂದಿನ ಬಾರಿನೆ ಯುಂಗವ ತೆನಿ- ಹಿಲೆಮಾಂಡಿ ನಂತರ ಸದಸ್ಯಾಲ
ಗ್ಗೆ ಸನ್ನ ಮುಂ ಜ್ಞಾಗಿ ಪ್ರಿದೂ ವಲಶ್ಚೆ ಸ್ಥಾಲಕ್ಕೆ ಸ್ಥಿಕ್ಷ್ಯ ನಂತರ ವಿ
ಧಾಂವು ಕೆ ವಾಗುಲು ದ್ದೀಕ್ಷೆ ನೇರಸದಸ್ಯಾಂದಮೆ ಬಲಾಸ್ಥುಲು ಪ್ರ
ಅಂದೂ ನಿಸಿಲ್ಲಿ ಟಿ ರುತ್ತೆ ಅಂದೇ ಇಲ್ಲಿ ಸ್ಥೆ ಎಂ ಬುದನ್ನು ವಲುಸ್ಥಿ
ಸಾಗಿ ನಿಗಾ ನೆಮಂಡಿಬುತ್ತಾ ಬುಂದಲ್ಲಿ ಸಾಧ್ಯ ಎಂಬುದನ್ನು ಮಡ್ಡೋಗಲು
ದಾವಾಗ್ಗೆ ಸಂಇಚ್ಛೆಯಂವುಂಡದಿ ಮೈಂವೂಂಸಿ ಬಾಂಶಿವಸಿಲಂಶಿಸ್ಥೆ
ಸುಪ್ರಸಿಂಲಾತೆ ನಾಂಸಿನೆರಶೀಲಿಸಲ್ಪಟ್ಟಿಲು ಸಂಘ್ಗೆ ನ್ರಂಚಿ
ನವಧಿಸ್ಥಿತಿಗೆ ಬರಲು ಅವಶ್ಯವನ್ನುಂಟುಂಗುತ್ತಾ ಸಿ ಈ ಕಿಂಗಳಲ್ಲಿ
ಸಂಘ್ಗೆ ದವೆಂ ಒಂಯಿಂ ತರು ಗ್ರಿ ಮುಖ್ಯವಾಂಶಿವಮನಲ್ಲಿ
ಡೆಬ್ಬಾಂಕಾಸಿನಂ ಬಿ ಈ ಮೂಲಕ ತಿಸು ಒಡಿಸಿರಲ್ಲಿ

ಅಲ ದಿಲೆಂಸುರುಗ್ಗೆಲ್ಲಿ ಸಿತಪ್ಪಯಿ ಬು ಪ್ಪಿಯನ್ನು
ನಿನ್ನು ಗೆ ಬೊಂನಿ.ಕಿಬಿ ವೆ ಪ್ಪಿಸೆಲಿ ನಿಬೇಲಿಂಸಿ ದಿವಾರ್ನೆಂ
ಸೇಲ ಬರು ಅರ್ಜಿಸ್ಥೆ ಪಿಸಿರು ತೌರಾರವ ಪ್ಪಿಯುರ್ತ
ಸ್ಥಿದೇಲುಳಿದಿನ ದಿಂದಲೆ ಪಿಲ್ಲಿ ಪದಚಿಸಿಂಗದದಂ ಹೊಳ್ಳಿಲ್ಲಿ ಪ್ರಿಡಿಸಲ್ಲಿಪ್ಪ
ಯಿದೆ ಕ್ಕೆ ನಿ ಎಲ್ ಎಲ್ ಪಿಡಿಸಿಯಿ ಟ್ಟು ಡ್ಡಿಂನೇಲ ಎಂನ್ನ ನೆಕ್ಲಿಸಿಗ್ಗೆ
ನ್ನು ಸಂಘ್ಗೆ ಗ್ಗೆ ನವಿಸಿ ತಿಂಡೆಲು ಮನಿ ಮನಿಸಿ ಗಲು ಈ ಲಿಪ್ಪಿ
ಸಿಗ್ಗೆ ನ್ನು ಸೆರಬುರಾಯಿಲು ಮಾಡಿ ರಸ್ಥೆಲಕ್ಕೆ ಬುಯವ ರಂಗ
ಗ್ಗೆ ನ್ನು ಸಂಘ್ಗೆ ದಲ್ಲಿ ಡಿಗಾಂ ಜೀಟ್ಟರು ಗೂಲ ಚೆಲ್ಲಸ್ಥಾಂ ಬಂಧಿಲ್ಲಿ
ಸಂಘ್ಗೆ ದ್ದ ಬುಂಚವಾಗ್ಗೆ ನ ಪಿ ಚ್ಚೆಲು ಅವಶ್ಯಾಳ ಪ್ರಿಂಮಾ

31

ಗು ತ್ತಾ ದ್ವಾರಿಂದ ಈ ಅಂಶಕ್ಕೆ ಸಂಬಂಧಿಸಿದ ಪತ್ರ ವ್ಯವಹಾರಗಳು
ತಮ್ಮ ನಡುವೆ ಮುಂದುವರಿಸಿಕೊಂಡು ಹೋಗಲು ತಮಗೆ ಅಧಿಕಾರವಿರುತ್ತದೆ
ಎಂದು ಈ ಮೂಲಕ ತಿಳಿಸಲಾಗಿದೆ ಮತ್ತು ಈ ಸಂಬಂಧ ಕೆ.ಎ.ಎಸ್.

ಇಂದ ಇಂತಿ ತಮ್ಮ ವಿಶ್ವಾಸಿ

NH Ramappa
Registrar.

ಅಧಿ
9-3-87

Draft.

PROCEEDINGS OF THE GOVERNMENT OF HIS HIGHNESS THE MAHARAJAH OF MYSORE.

...

Read--the following :-

Resolution on subject No: 14 re-H.B.Societies diesussed in the Thirteenth Provincial Co-operative Conference held in October 1926, received with letter No: 2722. C.S. dated 25th December '26 from the Registrar of Co-operative Societies in Mysore with his recommendation :-

" That Government may be pleased to place a sum of Two Lakhs of rupees every year at the disposal of the Apex Bank for being lent to H.B. Co-operative Societies, at a cheap rate of interest, so as to enable the latter to lend the same to members at 6% and recover the amount in 200 monthly instalments. "

Order No P 8671-2/ C.S. 45-26-10

Dated 2/4/27 Bangalore.

Government are willing to finance H.B.Co-operative Societies to the extent permitted by the exigencies of their programme of expenditure. The rates of interest will however depend on market conditions and the period of repayment will in no case exceed 20 years. Accommodation will be further subject to the condition that the borrowing society should not aim at large profits but should lend on reasonable terms, approved by the

the Registrar, in regard to interest and period of repayment, so that - house building is really facilitated by the loan.

The Registrar of Co-operative Societies is requested to ~~and~~ send up proposals regarding provision to be made for the year 1927-28.

Secretary to Government
Development Departments.

To

The Registrar of Co-operative Societies in Mysore.
The Comptroller to Government through Financial Sectt.

No. 500/C.S. 516 DEPARTMENT OF CO-OPERATION.
Enc. one.
GOVERNMENT OF MYSORE.

Tel. Address: "CO-OPERT" BANGALORE

OFFICE OF THE REGISTRAR OF CO-OPERATIVE SOCIETIES IN MYSORE.

GEN. & REV. SECTION 20 JULY 1927 SECRETARIAT DEVELOPMENT BRANCH

Dated Bangalore, 18th July 192 7.
1927

FROM

K. H. RAMAYYA, ESQ., B.A., BAR-AT-LAW,
REGISTRAR OF CO-OPERATIVE SOCIETIES IN MYSORE,
BANGALORE.

F.S. 49-26-12

To

N.Rama Rao, Esq., B.A., B.L.,
Secretary to Government of Mysore,
Development Departments, Bangalore.

Sir,

In continuation of my letter No.3849 dated 18-2-1927, I have the honour to forward herewith copies of replies received from the Registrars of Bombay, Madras, Bengal and Hyderabad whom I consulted in the matter of fixing the rates of interest in Central, Apex and Primary Co-operative Societies. It was because some of the Co-operative Societies which were organized in the early stage of the movement had reserved the power of fixing the rates of interest to themselves in the byelaws and by virtue of this power were charging usurious rates of interest on loans that the subject of 'Fixing the rates of interest on laons' was discussed at the Provincial Co-operative Conference held in October 1926 and a suitable resolution was passed. I have communicated this resolution to Government in my letter No.2722/C.S. dated 22/25th December 1926. In the case of such societies as the Bangalore Central Bank which, as ordered by Government has to work as an Urban Bank for the State, it is difficult to get any amendment to the existing byelaws passed owing to the provision of proxy voting in the byelaws of the Bank and the Directors themselves will not countenance any reduction in the rate of interest lest the rate of dividends to share-holders should go down their usual rate. The only power that the Registrar has under the Co-operative Regulation and Rules in such circumstances is to order the cancellation of the registration of the society. Instead of having recourse to this extreme step, I suggested that a Rule may be framed making provision for fixing the maximum rate of ordinary interest and penal interest in the Central, Apex and Primary Societies. The

P.T.O.

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The very object of the Co-operative Movement will be frustrated if the societies cannot be forced to keep the rates of interest on loans granted by them as low as possible so that facile credit may be within the reach of all deserving people. I request the Government to kindly approve of the recommendation sent up by me and pass it as an additional Rule under the Co-operative Regulation.

I have the honour to be,
Sir,
Your most obedient servant,

K H Ramaya
Registrar.

Letter No.A.G.C/173 of 1927 dated 14th March 1927 from the Registrar of Co-operative Societies, Bombay Presidency, Poona, to the Registrar of Co-operative Societies in Mysore, Bangalore.

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Subject:- Control over the lending rate of interest charged to members.

In reply to your letter No.3826-30/C.S. dated the 16th February 1927, on the above subject, I have the honour to say that the Co-operative Societies Act or the Rules framed under it have not given any direct powers to the Registrar to control either the ordinary or penal rate of interest charged by societies to its members. These rates, which vary according to local circumstances, are laid down in express terms in the byelaws of the societies and these byelaws have to be approved by the Registrar before a society is registered. Every amendment to these byelaws requires Registrar's express sanction. It will thus be seen that though not directly, the Registrar can still control the rate.

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Letter No.L.Dis.B.698/27 dated 14th March 1927 from the Registrar of Co-operative Societies, Madras, to the Registrar of Co-operative Societies in Mysore, Bangalore.

Subject:- Co-operative Banks and Societies - fixing of rates of interest - powers of Government and Registrar.

Ref:- Your letter No.3826-30 dated 16-17th February 1927.

The Co-operative Banks and Societies in this Presidency have fixed a flat rate of interest on loans. The rates are not frequently changed with reference to the fluctuations of the money market. The Government have not reserved any power to fix the maximum rates of ordinary and penal interest for co-operative societies, nor is the Registrar empowered, either under the Act or the rules framed thereunder, to do so. But the rates are fixed by byelaws which require the Registrar's sanction in the first place and can be altered only by an amendment of the byelaws. Such amendments are invalid until registered and the Registrar will not register amendments of which he does not approve.

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Letter No.2311 dated 7th March 1927 from the Registrar of Co-operative Societies, Bengal, to the Registrar of Co-operative Societies in Mysore, Bangalore.

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In reference to your letter No.3826-39 dated the 16/17th February 1927, I have the honour to say that no special power to fix the maximum rates of ordinary and penal interest for Apex, Central and Urban and rural Co-operative Societies is reserved by the Government of this Province, nor delegated to the Registrar.

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Letter No.65 dated 5th March 1927 from the Registrar of Co-operative Societies, H.E.H.the Nizam's Government, Hyderabad, to the Registrar of Co-operative Societies in Mysore, Bangalore.

In reply to your letter No.3826 dated 17th February 1927, I have the honour to state that no power to fix the maximum rates of ordinary and penal interest has been reserved by H.E.H.the Nizam's Government nor given to the Registrar under the Act or the Rules, and I do not think such powers are necessary except where local conditions require them.

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" Copies "

Registrar.

F.S. Leg - 26-18

To No.D.2733 & 1519/7

The Registrar,
Co-operative Societies in Mysore

Sir,

With reference to the correspondence ending with your letter No.500/C.S. dated 19th July 1927 re:the fixing ~~x~~ of the rates of interest in Central, Apex and Primary Co-operative Institutions, I am directed to state that rates of interest can only be fixed with reference to local circumstances, and of these circumstances the institution itself is the best judge. Since the executive body of the institution really represents all the members, it cannot be said that the interests of the borrowers are disregarded. External interference beyond the minimum absolutely necessary for correcting manifest cases of unfair exploitation, which would be the exception and not the rule, does not seem to be justified. This minimum of control would be best exercised indirectly, by the power vested in the Registrar to approve the bye-laws of the Institution and the amendments thereto.

In this view, I am to state that Government are of opinion that no amendment of the Co-operative Regulation is necessary.

I have etc.,

Dev. Secretary to Government.

ACH.